



REPORT

OF THE

ECONOMY COMMITTEE

**GOVERNMENT PRESS
HYDERABAD-DN.
1950**

ECONOMY COMMITTEE,

SHAH MANZIL,

Hyderabad-Deccan.

1st October, 1950.

To

THE HON'BLE CHIEF MINISTER,

GOVERNMENT OF HYDERABAD,

Hyderabad-Deccan.

SIR,

I have the honour to submit the report of the Economy Committee appointed by the Hyderabad Government. The Committee consisted of :—

Chairman :

MR. A. D. GORWALA.

Members :

NAWAB AZAM JUNG BAHADUR,

SHRI M. NARSING RAO,

SHRI J. H. SUBBIAH, and

SHRI DILSUKH RAM.

Mr. I. Ramchander Rao was appointed Secretary to the Committee and Mr. A. L. Kantha Rao, Assistant Secretary.

The terms of reference of the Committee were :—

1. “ To make recommendations for the reorganisation of the administrative machinery with a view to rendering it efficient and economical, and with that object :—

(a) to examine generally the growth of expenditure on administrative machinery since 1945 ;

(b) to enquire into the working of such machinery ;
and

(c) to consider methods of curtailment of expenditure and of increase of efficiency.

2. The detailed review of pay scales and allowances in this connection will be a matter for separate consideration by Government but the Committee is not precluded from suggesting the broad principles of such revision.”

The Committee started work on the 12th July, 1950, with the arrival of the Chairman. It held 47 meetings and examined 97 witnesses (Appendix A). It signed its report on the 1st October, 1950.

I have the honour to be,
Sir,
Your most obedient servant,

A. D. GORWALA,
Chairman, Economy Committee.

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CHAPTER I

BACKGROUND—HISTORICAL AND ADMINISTRATIVE

Even more perhaps than of any other State, it may be said of Hyderabad that its history is a record of the errors and follies of its rulers and the misfortunes of its subjects. The 200 years before the present century disclose but one bright patch, that during which the only true statesman Hyderabad has produced, Salar Jung, was Prime Minister. Though often thwarted by the whims of the ruler, the intrigues of nobles and courtiers and the machinations of sahumars and leaders of mercenary bands, by the end of his career, the administration had been brought into line with that prevailing in the rest of India, and some measures of security bestowed upon the general public. It would be unprofitable to delve at this stage into the details of the continual wars, debts, uprisings, intrigues and tumults that constituted the political history of the State. It serves no purpose now to learn what victories were won, what battles lost, what territories ceded, what debts incurred, what jewels mortgaged, what Ministers appointed. It is sufficient to note that the people's lot grew steadily worse. The sole aim of policy, if indeed there was any conscious aim at all, seems to have been preservation of the rights and privileges of those who had the power to keep them.

The rulers of Hyderabad were, of course, really independent only for a limited period. Not very long after the suzerainty of the Moghul had become nominal, *chauth* had to be paid to the Maratha, and, when, by the help of the British, the Maratha yoke was broken, there followed subjection in all really essential matters to that foreign power. Thereafter, whenever the British really wanted their way, they had it. The only limitation to the extent of their hold upon Hyderabad lay in their own conflicting policies, which changed again and again from interference to non-interference and back to interference. At times, the British felt that, if they did not leave the Dekhan alone, they might have to take over the entire administration, a step for which they were

not prepared and which would put too great a strain upon them. At other times, however, they felt that it was most dangerous to allow their influence to be weakened, and therefore, they must insist, even at the risk of displeasing the ruler, upon the appointment of such Ministers as would help to protect their interests. Throughout, their anxiety seems always to have been to keep a contingent of troops very near to the headquarters of the Dekhan Government, so as to assure its loyalty to them and at the same time to make that Government pay for those troops. The failure to meet this obligation led, from time to time, to cession of territory which, in turn, further complicated the tangled financial structure of the State.

During all this time, there was no real administration in the modern, or, even the contemporary sense. A good deal of land was given in the form of grants, jagirs and inams to nobles and others, who promised to perform certain services, mainly, the maintenance of troops for use by the ruler. Considerable portions were also given as security for the payment of debts to people who had advanced money, or to the leaders of mercenary bands, which had been recruited for military service and the payments for which could not be made. That portion of the land which remained with the State was farmed out on rent, the farmer being entitled to collect the State share, deducting a percentage for cost of collection. This system led to the gravest abuses, so much extortion being practised on the peasant that on many occasions he thought it better not to cultivate. Large areas thus went out of cultivation, leading to a further decline in the State's revenues and adding considerably to the already existing financial difficulties.

One special feature of Hyderabad was the very early separation of the ruler's privy purse from the State revenues. The ruler claimed a particular amount from his Government, and, on failure to pay that, took over a portion of the land—Sarf-e-Khas—as his own for his own maintenance. His claim on the Government for a fixed annual sum, however, continued. In brief, the need for money seems to have been the principal motive of all political action for over a century and a half. Money must be had at any cost and by any means. When this was the ruling motive, no reasonable administration was possible. One reads of lands which had been farmed

out to one man being farmed out to another, before the period of lease to the first had expired, in order to get additional funds; of rents being collected with the assistance of troops; of all police and judicial powers being granted to the rent-collectors; of continuous maltreatment of the tenantry; of great power passing into the hands of sahumars who alone could supply the funds needed, and, in fact, of a whole chain of circumstances which reflect no credit on any one concerned, and constitute a record of anarchic despotism unequalled in the history of almost any country in the world.

Better times dawned with the beginning of a settled administration under the ægis of Salar Jung. With the support from the British, often against the will of the ruler, who thwarted many of his attempts at improvement and could sometimes be persuaded to agree only when the Resident stepped in, a reasonable system of administration was evolved. After much struggle and experiment, the areas directly under the Government were divided into districts. A district was divided into tahsils, and Government officers were made directly responsible for both collection of revenue and for other administration. Judicial reforms followed. The many wandering armies were destroyed, the right of punishment was restricted to the State and some kind of security of life and property was, for the first time after several centuries, made available to the masses. The land was surveyed and settled, reasonable assessments were fixed and attempts were made to repopulate deserted areas and increase cultivation. The power of the mercenary leaders in the city and elsewhere, which had often made itself felt by clamour and tumult to get its own ends, was broken, and law and order restored.

In brief, modern administration began and sank such firm roots into the soil that the essential pattern has remained unaltered since that time, though there have been changes in the superstructure, especially at the ministerial level. Thus, the system which placed the entire responsibility of Government on the Prime Minister, was slightly modified to make room for other Ministers to help him. These were subsequently replaced by Assistant Ministers and, much later, by a Council of Ministers, with the Prime Minister as President at its head. The essential principle, however, remained unaltered throughout. All the Ministers derived their authority

from the ruler. They were nominees for the purpose of the work of Government and were always responsible to him. He could rightly say "the State, it is I." The only limitation, and a very vital one, throughout the period of British rule, was the paramountcy of the suzerain power which meant, in effect, the acceptance of the will of the British Government in any matter in which it wished to enforce it. Interference was not necessarily limited to really important matters. There was a kind of fitfulness in its exercise, which, at times, must have seemed to derive from no particular principle at all. It must, however, be agreed that, on the whole, the interference was beneficial. It was generally in the interests of decent administration and aimed at the prevention of excesses. From the administrative point of view, the appointment to some of the ministerial posts of officers who had served in British India, was not without advantage to the State and assisted in raising the general standard, though, as would appear from conditions existing after the recent "Police Action," there was a great deal more of make-believe than was apparent at first sight.

For the last 70 years or so, there do not seem to be available reliable records about the actions and motives of important personalities of the Hyderabad State. As we approach more recent times, we miss that wealth of material which brings so many vivid pictures of the more distant past before us. Certain trends in policy can, however, be discerned, which show that the final debacle of 1948 was not an isolated incident, but the last act of a drama, the earlier scenes of which had been staged decades ago. Although the religion of the rulers was different from that of the mass of people, communalism had played a very small part in the early political and administrative history of Hyderabad. At the turn of the century, things began to change. The first sign was the substitution of Urdu for the regional languages as the medium of official work in the districts. Henceforth, Hyderabad, it seemed, was to be made a real Muslim State. It was this movement which culminated, many years later, in the formation of the Urdu University, the principal idea of which was to teach everything through the medium of Urdu. The same spirit was reflected in appointment to the public service, which was gradually converted into almost a preserve for the minority com-

munity. With the advance of the century, communal politics became the fashion in India, and the effect of this on Hyderabad was marked. The paramount power was at this stage inclined to look upon the Indian States as bulwarks against the advancing march of nationalism within the country. This, too, encouraged the development of a separatist feeling and tendency amongst the ruling classes of Hyderabad. All in all, the conscious policy of the Hyderabad Government seemed to be directed towards a course not in keeping with the feelings of the bulk of its subjects.

With the partition of India and the abdication of the British, a new phase began in the history of Hyderabad. Feeling the need to strengthen itself by internal support, the Government administered to itself, what one witness before us has called, a 'homeopathic dose of democracy.' An attempt was made to bring popular elements into the administration without disturbing its essential character of complete authority for, and responsibility to, the Nizam. The rulers of independent Hyderabad, having fortified themselves by this measure, decided to remain independent, and refused to accede to the Indian Union, whose territories surrounded it completely and with whom the large majority of its subjects were in complete political accord. After prolonged fruitless negotiations, during the pendency of which much suffering was caused to the innocent, and many hundreds of thousands of people were driven out of their homes, or left them through fear, Indian Union troops marched into Hyderabad. The ruler decided that the wisest course was to dismiss his Council of Ministers and hand over the administration to the Military Governor. This unhappy chapter was closed by the ruler's becoming Rajpramukh and Hyderabad's becoming an integral part of the territories of India.

New administrative problems arose immediately thereafter. Many of the senior officers of the Government had been concerned in action against the Indian Union. Some of them disappeared of their own accord, some were dismissed. Anticipating this state of affairs, the Union Government had sent down, with its military forces, civil officers prepared to take charge of the administration from the very beginning, so that there might be no hiatus or failure of work. Military operations having been concluded, in a matter of three days, the

general structure of the administration from the Secretariat downwards was not affected as much as it would have been had they been prolonged, and the entire system remained in existence. The new Government superimposed on this the men it had brought. A Civil Administrator either took the place of the Taluqdar where he was missing or took over from him his more important duties and assumed charge of the district. In the Secretariat, too, several of the more important appointments were given to officers from the Indian Union. These arrangements, which came into force in September 1948, continue up to now, though, of late some of the minor officials who were brought in have been, and are being, sent back, their places going to local men. The Military Governor and the Chief Civil Administrator, who replaced the old Council of Ministers, after a year, gave place to a new Council of Ministers consisting of officials, for which, again, has been recently substituted a mixed Ministry of officials and non-officials, the latter being drawn from the principal political party in the State. The structure of the administration at the moment is thus a Chief Minister assisted by 7 Ministers, 4 of whom are non-officials nominated by the principal political party. The Ministry works on the same basis as a Cabinet in any other State, except that, as laid down in the Constitution, it is under the general supervision, direction and control of the Government of India, which operates through the Ministry of States. The Cabinet functions at headquarters through a Secretariat—consisting of a Chief Secretary, 11 Secretaries and a Joint Secretary—which assists it in the formulation of policy and conveys its orders to the district administration or to heads of attached offices and departments. The district administration consists, in most districts, of a Civil Administrator, who has under him a Deputy Civil Administrator and an Assistant Civil Administrator, on the one side, and a Taluqdar, two or more Second Taluqdars and a number of Tahsildars, on the other. Very recently, the Revenue Board has been reconstituted to exercise supervision over the revenue and general administration side of district work. The judicial system continues unaltered from the previous regime, its distinguishing feature of complete separation between the judiciary and the executive being maintained. The police force has sustained perhaps a more radical change than any other branch of the administration. The officer

be referred upwards, is referred to the Secretary. It is hardly necessary to dilate on the large volume of work that must follow from such a course. The Secretary, if conscientious, is busy doing work which is not properly his own. If not conscientious, he is busy holding up work which should have been done by the attached department. We are of opinion that efficiency in administration is not possible unless the Secretariat divests itself of all work which is not legitimately its own and lets those whose duty it is to carry out policy do it undeterred. For this, a good deal of decentralisation is clearly necessary. The powers of all heads of departments must be laid down clearly, as in other States. Within those powers, each man should act on his own initiative, and should not make references to his superiors, unless there is some very special point which arises in a particular case and which he finds himself unable to deal with. Such instances, however, should be very rare. One unfortunate effect of the Secretary's turning himself into a super-departmental head, has been that many heads of departments and their subordinate officers have lost the ability to take a decision themselves and to bear the blame if necessary. The endeavour of some is to try and be safe all the time by referring quite unnecessary matters to the Secretariat.

Within the Secretariat, too, we have noticed the same desire not to take responsibility. Normally, of all cases coming to the Secretariat, not more than 20 to 30 per cent. should reach the Secretary, the rest having been disposed of by the Assistant or Under-Secretary and Deputy Secretary. Here, we are told on good authority, the proportion of cases which reaches the Secretary is much larger. The lower officers shudder at the idea of deciding. Perhaps they feel it might be regarded as presumption taking too much on oneself. Here, too, clear instructions are necessary, in order that the Secretary may not be burdened with unnecessary work and the subordinates be saved avoidable work.

The system of Secretariat work also leaves much to be desired. About a year ago, it was examined in detail by an expert from Bombay with long experience of Secretariat work. He suggested certain changes in order to eliminate waste of time and energy. Circulars were issued to all departments embodying his suggestions. On enquiring from departments, we were told that these

circulars were being followed. In practice, however, we noticed from several recent files that have come to us that they are honoured more in the breach than in the observance. Thus, for instance, the system of unofficial references does not still seem to have taken root, and files are forwarded from one department to another with a letter, copies of files being kept in the parent department. In this matter, as in most others in the State, we find that there is no absence of instructions. There is an order about most things. Unfortunately, it is rarely obeyed. The only real way to improve this state of affairs is for such of the Ministers as have had experience in other Secretariats to devote half a day once a week to the examination of the actual working of the departments of the Secretariat. We suggest that the Chief Minister should pay surprise visits to any department, go to the tables of a few clerks at random, see the files that are with them, and their method of disposal. From the clerk, the examining Minister might proceed to the officer, the Assistant Secretary, the Deputy Secretary and the Secretary, and hold in each case a proper inspection. 3 to 4 hours a week spent in this manner over six months by such a highly placed inspector would, we feel, produce striking results. We fully realise that this suggestion is likely to place a great deal of strain on the Minister, but if, in consequence, real efficiency is attained in the Secretariat, the forging ground of policy, before the direction of Government is handed over to politicians, we are sure, the Minister will agree, that valuable service has been rendered. A weekly statement showing the number of cases and the periods for which they are pending, so many over a week, so many over a fortnight, so many over a month, etc., should come to the Secretary, the first thing on Monday morning.

The Secretariat consists of 1 Chief Secretary, 11 Secretaries and 1 Joint Secretary in independent charge of a department. In present circumstances and taking into account the amount of work that should rightly be done in the Secretariat, this number is far too large. On a careful examination of the allocation of work among the various Secretaries, we feel that it should be possible to manage with three departments less. Labour may be transferred to the General Administration Department. The schedule of subjects shown under the General Administration Department, in the Rules of Business

numbers 27. Work in connection with many of them, however, is likely to arise at irregular intervals, while, in many others, the spadework in the beginning has been done, and, all that remains, is modification from time to time. We have, moreover, proposed that the Amira and State Motor Garage Departments should be closed down. This ought to give the Chief Secretary considerable relief, since, we understand, all kinds of small matters under this head continuously trouble his work. The Guest Houses and Public Gardens should be transferred to the Public Works Department, so that this head will disappear completely from the General Administration Department. At present, all correspondence with the Government of India is carried on through the Chief Secretary. This seems quite unnecessary. Departments of the Government of India could write directly to the department concerned here, as is done in other States. The Chief Secretary's work thus being considerably reduced, he should be able to take on the work of the Labour Department, in addition. There is no very large industrial labour force in the State, and the problems connected with labour do not present that complexity and difficulty that they do in more industrially advanced States. There is, moreover, a Commissioner of Labour to deal with the executive side. In all the circumstances, the Chief Secretary should be able to manage the Secretariat work without undue strain.

Witness after witness has told us that if any real progress is to be made in the principal branches of the Rural Reconstruction Department, such as Agriculture and Co-operative Societies, it can only be through and with the active co-operation of the officers of the Revenue Department. There can be little doubt that co-ordination between these two departments is absolutely essential for the amelioration of rural conditions. The specialist working by himself can do very little. With the direct support of the general administrator, his task, is greatly lightened. The Revenue Board has now taken over a great deal of the work that used to be done in the Revenue Department in the past. The burden of the Revenue Secretary, if he lets the Board do the work it should, must accordingly be greatly lightened, and he should be able now to take on the rural reconstruction side. From the point of view of both homogeneity and co-ordination, this combination is most

desirable. We do not anticipate that the work of the combined department, which we would call the Rural Reconstruction and Revenue Department, in order to emphasise the rural reconstruction side, the importance of which may perhaps be not realised sufficiently when placed in conjunction with the older Revenue, will be too heavy. If it is, Fisheries can be transferred to the Public Works Department, and Money-lending and Money-lenders to the Commerce Department.

The Local Self-Government Department is now under a Joint Secretary, and could, we think, be amalgamated with the Education Department. Local Self-Government is also in reality a form of education. Education, in the rural areas, more specially in its wider aspects, can benefit greatly from the activities of the Local Self-Government Department. The bulk of the detailed work of education in the rural areas falls on the Director of Public Instruction, so that the Secretary, provided he does not attempt to do the Director's work in addition to his own, should not normally be overburdened and unable to take on the extra work proposed.

The suggestions we have made eliminate 2 Secretaries and 1 Joint Secretary. It may also be possible, when the departments are combined, to make some further saving in officers and staff. On the general question of reduction in the Secretariat departments, we observe that, about two years ago, a specially qualified officer of great experience from Bombay put forward proposals, in most cases, after discussion and consultation with the Secretaries of departments. It is a matter for regret that, although these suggestions were quite often accepted in toto by the Secretaries when the Officer was here, action upon them has not been taken fully in any case. In some departments, notably Finance, no retrenchment at all has been effected in the officer personnel. We have no doubt that the proposals made by Khan Sahib Joshi are capable of being carried out without affecting efficiency of working, and we would strongly urge upon Government the necessity of insisting upon their being implemented and not paying undue attention to the demurrance of those most interested. A plea put forward by some departments for not carrying out fully Khan Sahib Joshi's suggestions about non-gazetted staff is that he did not take completely into account the low standard of the local material. Now, quite apart from the fact

that Khan Sahib Joshi has been accustomed to assess the varying efficiencies of clerical establishments over many years, there is the point that there can be no better way of continuing inefficiency than by pandering to it. If you ever desire the inefficient to become efficient, the conditions which conduce to inefficiency—among which not the least are a large surplus of staff and ineffective supervision by officers—should be forthwith removed.

The combined saving under this head will come to Rs. 2,37,464.

The army of peons in the Secretariat departments also needs to be curtailed. We find that, as against 3 peons including a Naik allowed to a Secretary in Bombay, Secretaries in Hyderabad have more. We understand that it is not unusual for officers to employ in attendance on themselves peons allotted to the office establishment in addition to those engaged specially for them. The whole position in this regard must be altered. Peons are purely for official work and the number employed must be such as to render it extremely difficult for them to be used for any other purpose. Applying the Bombay scale for officers as well as offices, we find that there are 308 peons in excess in the Secretariat departments and we suggest their retrenchment.

Each department of the Secretariat has, we understand, one or more shroffs whose business it is to bring cash on bills prepared by the departmental accountant and disburse salaries. Now the total number of staff employed in the Secretariat is about a 1,000. We see no reason why this work of pay bills and disbursement should not be done centrally by three shroffs attached to the General Administration Department. Disbursement of salaries could be satisfactorily finished within 3 days at the most. Most officers' salaries, we understand, are obtained in the form of cheques on banks.

Despatch and receipts, too, for the whole Secretariat could be centralised in one bureau under a Registrar with a few clerks attached to the General Administration Department. The bureau would be responsible for sending out all papers and for receiving and distributing post to the respective departments. This, besides leading to some reduction in the receipt and despatch staff of various departments, would also result in saving of envelopes and stamps.

In two large spending departments, Public Works and Medical and Public Health, we find technical Secretaries. It is hardly necessary to emphasise, at this stage of the development of the public administration, the necessity for general examination from the broad administrative aspect of technical projects, however distinguished the technical expert putting them forward. In fact, it may be said that the more distinguished the technical expert, the greater the need for the scrutiny of his proposals from the general point of view. Normally, therefore, we would have suggested that in both these departments a non-technical Secretary of wide administrative experience should be appointed. In view of the position of Government finances, however, no really large expansion schemes in the Medical and Public Health sphere are likely to be undertaken for some time. In all the circumstances, we do not think it wise to suggest disturbance of the present arrangement by which the very experienced and senior Inspector-General is also Secretary in that department. We think, however, that, when his term expires a non-technical Secretary should take his place. As regards the Public Works Department, we have no doubt, after examining the position of the various projects and the results of some past projects, that an independent Secretary of wide administrative experience is essential.

The relationship between a non-technical Secretary and a technical head of a department is apt sometimes to present delicate problems of adjustment, which need to be tackled with good-will and in the right spirit. A technical head of a department must never be made to feel that his advice does not reach Government in the form in which it should, or is not being given the consideration it deserves, because of there being a non-technical Secretary through whom the papers are put up. A wise Secretary will invariably see that the technical head gets an opportunity to meet the Minister frequently—in the case of important departments even once a week—so that the Minister is kept fully acquainted with the department's view on important matters. The Secretary will himself always make time to keep in touch with the technical head, and will never hesitate to let him know the real reason for Government's refusal to accept any particular proposal he may have put up. The technical head, on his side, must have confidence in his

Secretary's fairmindedness and judgment and must not magnify or fret over honest differences of opinion. Once a combination of this kind is established on a proper basis, its capacity for good work is more than doubled.

We understand that records of 3 years and earlier are at present kept by each department separately. We are told that the Secretariat has spacious cellars, which could contain the records of all departments, and that keeping them together would result in some saving in staff. The suggestion seems to us sound and we recommend that it be further investigated.

We find that, for each department of the Secretariat, there are separate watermen, scavengers and farrashes. This too could be centralised. A staff of about 20 men should be able to perform these duties for the whole Secretariat.

Before September 1948, the language of the Secretariat was Urdu, though we have seen occasional notes in English. After that date, it has been ordered that all noting should be in English. This, we are told, has imposed considerable strain on the staff, and, it is said that large numbers of clerks are classed as inefficient not because they cannot do the work well but because they cannot do it in English. We can understand the anxiety of officers unaccustomed to Urdu or not knowing Urdu to change the language of work. At the same time, it is surely better that a few Secretaries should have to get the final note explained to them than that the efficient working of the Secretariat should be impeded. We would suggest that, while all those clerks who know English should certainly note in English, the rest should be permitted to note in Urdu. Such Secretaries as do not know Urdu themselves or cannot read written handwriting easily, might have an Assistant who knows Urdu and can immediately read or translate. New recruits, of course, should not be chosen unless they know English. Our proposal is designed to help the working of Government during the transition period.

Before concluding this chapter, we would refer to two posts which, in our opinion, should be abolished. As regards the Legal Adviser, in our opinion, the Government of a Province of the size of Hyderabad should be content to have its normal legal advice from, and its normal legal work done by, its own Secretary to Government in

the Legislative Department. It is of course always open to Government to obtain special legal advice in exceptionally difficult and complicated matters from eminent counsel and solicitors or the Legislative Department of the Government of India. The exigencies of Military Government may have required a Legal Adviser. In the circumstances of normal civil administration that prevail now, a Legal Adviser will, it seems to us, be nothing more than another Legal Secretary. Either he will have very little to do, or he will be redoing work that should already have been done by the Legal Secretary.

A point sometimes made is the inability of local talent to draft in English. Here, too, as in many other instances, lack of training may be responsible rather than inherent defect, and the remedy may lie in a three or six months' course in drafting with the Legislative Department of the Government of India for the Legal Secretary or one of his senior Assistants. Some of us, who were connected with the Legislature and Select Committees in the past, point out that Hyderabad is scarcely likely to pass novel laws which have not already been introduced in most other Provinces. When the laws were in Urdu, the question of drafting resolved itself generally into finding the right Urdu term for the English phrases in the Act it was proposed to borrow. Now, since English is the language of law-making, even that problem will not arise. Drafting, therefore, furnishes no reason for having a Legal Adviser. We recommend that this appointment, which has been recently refilled, should be terminated. The saving that will arise is Rs. 28,800.

The other appointment is that of the Officer on Special Duty in the General Administration Department. This post was created for the purpose of examining the cases of detainees under the Preventive Detention Act, and for having a one-man tribunal under the Hyderabad Public Servants' Act. We understand, that the cases of more than half the detainees have been gone through and that the examination of the remaining is likely to be completed within the next 3 months. The procedure for the examination of cases of detainees, as described to us, is also not such as to make it necessary to have a special appointment for the purpose.

In this connection, we would also invite attention to sub-section (2) of section 8 of the Preventive Detention Act of 1950 which lays down that "the Board Constituted under the Act should consist of *two* persons, who are, or have been, or are qualified, to be appointed as Judges of a High Court."

As regards cases of disloyalty, corruption, etc., we cannot help feeling that departmental enquiries should be held by the head of the department and that further disposal of such cases is a matter for the Public Service Commission. While it may be true that an officer is not prejudiced by the special procedure sought to be established, it seems unnecessary and wasteful to have a special appointment for this purpose, when the work can and should be done efficiently by the authorities already normally provided. We understand that there is only one such case before the Special Officer. We would suggest the retrenchment of the post.

CHAPTER V

DISTRICT AND VILLAGE ADMINISTRATION

The territory of Hyderabad covers 82,698 square miles and consists of 16 districts. Zillabundi, that is, the division of the land into districts and the appointment of Government officers to hold charge of the revenue and judicial administration, was first done in Hyderabad in 1863, and constituted one of the most remarkable reforms of Salar Jung. Before that time, the usual method of administering a district was to lease it to a revenue farmer, who was supposed to collect the revenue and credit it to the treasury after deducting his share. The abuses that followed have been recounted at length in the quotation in Chapter II. Large areas of land had gone out of cultivation, as a result of the exaction of revenue farmers, and it was not till the fixing of districts in this manner, followed by a proper revenue survey and settlement, that both cultivation and revenue increased. The comparative prosperity of the State followed from the comparative security granted to the peasantry. The district Taluqdar, as he was termed, had under him a Second Taluqdar for a division, of which there were two or three in a district, and a Tahsildar for each Tahsil, of which there were two or three in each division. This system continues unaltered to the present day. At the upper end, were appointed Sadar Taluqdars, one each for 4 districts, who were later termed Subedars. These have now given place to the Board of Revenue.

The efficient working of such a system of administration is dependent on close touch between the officers of Government and the people. While this no doubt was present in the early period, the days of Salar Jung and the years that followed, it seems later to have been lacking to a very great extent. Two reasons are ascribed for this. One, the failure of officers to tour thoroughly and extensively, and the other, the lack of knowledge of the local language by officers and their staff and the making of a strange tongue the medium of intercourse between the governors and the governed. We have heard

from many witnesses of the unwillingness of the Hyderabad officer to tour. We understand that there have always been orders prescribing a period of touring for officers but, as with many other orders, they seem to have been passed into desuetude in recent years. From the first of this year, the Government has issued fresh orders prescribing touring. In any case, many witnesses have told us that, even when officers go out on tour, their anxiety is to get back to headquarters as quickly as possible. Most State Officers have their homes in the city, and the affection with which they regard their urban centre often leads to their rushing back home as soon as they possibly can, even at the risk of neglect of duty. A witness told us that about 10 years ago, his avocations led him to almost every Tahsil in the State. Wherever he went he found the Tahsildar away and oftener than not, on his enquiring where he was, the answer would be 'in the Balda (City)'. Now, this is a fundamental defect, and we trust that Government will devote very special attention to seeing that every officer does proper touring, not merely keeping himself to the beaten tracks but venturing into out of the way places and distant villages where no officer has been seen for many years.

There is not much point in touring if you cannot speak to the country-folk you meet on your tour. Urging the students of a High School at Aurangabad to pay special attention to Marathi, Salar Jung once said : " But leaving English aside for the moment, Marathi is the tongue spoken throughout the greater portion of the dominions, and, from the Patwari's office to that of the Taluqdar, all official communications are made in that language. Not to learn Marathi, therefore, is to place yourselves outside the pale of official employment. " His less wise successors altered all that, and, by so altering, also made it possible for people to be appointed officers who did not know the language of their districts, even to the extent of ordinary converse. We consider this a very grave defect and we would urge that every officer, whatever his age, should know the language of the district in which he is serving. If he does not know it, he should learn it within a short period, say six months, and he should be able to speak it fluently, to read it and to write it. There can be no doubt that the language of administration up to the district must again be the local language. Whether that should be so immediately or gradually over a period is a matter for

Government to consider from the point of view of administrative convenience ; but as to the necessity for such a change there can be no doubt at all.

The name "Taluqdar" was first applied to the revenue farmer of tracts of country known as "Taluqas." It has about it an atmosphere of luxury and autocratic power, and we would suggest that, in the circumstances of today, it might be altered to the term "Collector," commonly used for the heads of revenue districts in most States of India. "Second Taluqdar" might also give place to "Deputy Collector."

The district of Hyderabad is a recent creation. The Sarf-i-Khas lands, which were formerly administered directly by the Nizam, were combined with the previous Baghat District of 1 taluka comprising the suburbs of Hyderabad to constitute it. It is the smallest district in the State, being 1,664 square miles. To the north of it, is the district of Medak, and further to the north, that of Nizamabad. The Nizamabad district, too, is comparatively small, 2,730 square miles. The headquarters town of Medak district is within 35 miles of Hyderabad and the taluqas of Medak district begin almost upon leaving the city. On a consideration of all the circumstances, it seems to us that, not only as a measure of economy but also from the point of view of efficient working, it would be desirable to do away with the Medak district, apportioning its four lower taluqas, Dharur, Narsapur, Sangareddy and Annasagar, to Hyderabad, two of its upper ones, Andol and Medak to Nizamabad, and the third, Siddipet, to Karimnagar. This would result in an increase of area in the districts of Hyderabad and Nizamabad but not such as to make them larger than most of the other districts in the State. Karimnagar, too, will not become unmanageable. The total saving from the abolition of the district would be Rs. 63,000 a year for the revenue establishment and Rs. 5,37,000 for the other district establishments. The principal reason for keeping the Baghat District small in the past was that it included the City of Hyderabad in which lived many influential people, recovery of revenue from whom was a matter of great difficulty and required considerable tact. We take it that, in the conditions of the future, it will be the policy of Government to see that more tact will not be necessary to recover arrears from an influential person than from a humble citizen without influence,

A matter which has been urged as one of the greatest grievances under which the people of Hyderabad labour, is called "Dual Administration." It has been described in Chapter I how, when the Military Governor took over here, he was accompanied by a team of Civil Administrators, Deputy Civil Administrators and Assistant Civil Administrators. The Civil Administrators became the principal officials in all districts. The more important functions of the district official—the maintenance of law and order, food and supply—were taken away from the Taluqdar and handed over to the Civil Administrator. The ordinary revenue work remained with the Taluqdar who was instructed to send important matters through the Civil Administrator and had to take orders from him. The Civil Administrators were officers from outside the State, mostly from the States bordering upon Hyderabad: Madras, Madhya Pradesh and Bombay. The total extra cost on this account is estimated variously at from 30 to 40 lakhs. While many of the Civil Administrators have done excellent work and full credit is given to them for it, several have proved disappointing, and hardly any have endeared themselves to the people. It is alleged that the general mentality of many of these officers is coloured by the fact that they came in with the Military Governor. They seem to think, it is said, that they are part of a conquering army holding an occupied country, and they make no effort to disguise their contempt, however well-merited occasionally, for the local officials and respectable people with whom they come into contact. The recent policy of the Hyderabad Government has been to replace the Deputy and Assistant Civil Administrators by local officers as far as possible, and a few districts have once again been placed in charge of Taluqdars. At the same time, the Government view seems to be that it cannot carry on with the local material only, more especially in view of the serious situation created by communists and others in various parts of the State. With the need to keep specially good and well-trained men in important districts, we do not disagree. It seems to us, however, that to keep two men to do the work of one is wasteful and extravagant. Hyderabad cannot afford such luxuries. If Government feel that certain district officers from outside are essential, then we suggest that they either be taken up for a regular period, 3 to 5 years, or absorbed into the local service, so that they will be under the Government of Hyderabad for disciplinary purposes. The entire

work of the district should be entrusted to them. There should be no necessity for a Taluqdar where a Civil Administrator is functioning. The Civil Administrator should be discharging all the functions of the Taluqdar in addition to those he does now. The scope of his duty would even then be less than that of a normal Indian district, for, there, he would also be District Magistrate doing a certain amount of Magisterial work himself and exercising supervision and control over Subdivisional and lower Magistrates. We suggest, therefore, that Government should make up its mind about the number of officers it particularly wishes to retain and let them take full charge so as to save unnecessary expenditure. In this matter, certainty will be a sure basis of contentment, not only to the State and Union Officers but also to the people of the State.

The village accountant is the pivot on which all administration rests. Of the 3 village officers, the police patel, the mali patel and the patwari, the last is the most important. He keeps the village records, and, on the accuracy of these, depends, in the last instance, the accuracy of the information on which Government reaches decisions. These officers are hereditary. The village accountant today is the descendant of accountants for generations past. In many cases, he does not do the work himself but appoints an agent (Gumashta) who gets two-thirds of the remuneration that is his due. He keeps his post, however, as it gives him local influence. Originally, the remuneration for the services that a village accountant rendered was in the form of Inam land. Later, this land was converted into ordinary Ryotwari tenure and given to him. For the services he renders, he is compensated by being allowed to take a percentage of the revenue he collects. The percentage varies according to the amount collected. There is overwhelming evidence that village records are very badly kept throughout the State. The most important ones, the Record of Rights and Record of Tenancy, are invariably out of date. Quite often, we are told, the village officer is responsible for an enormous amount of sharp practice resulting in wrong entries being made deliberately to favour one side or the other. By various devices, it is said he has in some cases acquired a great deal of land and is often thus the land-holder of the village and the village money-lender, in addition to being the village accountant. The activities of himself and his

clan are alleged to be one of the principal reasons for the turning away of the small land-holder and the peasant from Government towards disaffected elements. For, so long as he retains the confidence of Government and the power to do harm, the common man, it is felt, can never have any redress for his grievances. Being hereditary, moreover, he is always in the village, and any grudge that he may have against a villager is always paid off, even after several generations. All these circumstances have led almost all the witnesses who have appeared before us to recommend the abolition of the hereditary system for the village accountant and the substitution, in his place, of a properly trained, fully qualified stipendiary patwari, whose sole interest will be the performance of his duties as patwari and who will not, ordinarily speaking, be mixed up in village feuds or in the temptation that follows from the possession of wealth, property and influence. When inefficiency is added to all the other considerations, the case for the removal of the hereditary principle in this grade of the public service becomes unanswerable. Even apart from the fact of the incompatibility of the hereditary principle with the spirit of the times, we agree that this reform is of the highest importance and that, as soon as possible, Watandari patwaris should give way to stipendiary officials.

One of the principal objections to this change put forward by the very few people, who seemed inclined to continue the present arrangement after considerable reform, was finance. In their view, the change-over would be extremely costly. We do not think this view is correct. There are roughly 26,000 villages in the State, and not more than 6,000 full-time stipendiary officers would be necessary. An officer should be able to hold charge of a group of 3 to 6 villages, depending on cultivable area, etc. A salary scale of 40-1-50 should suffice, and, for 6,000 patwaris, this would mean an expenditure of about 36 lakhs. The amount sanctioned for remuneration to patwaris in this year's budget is Rs. 14,12,000. Mali patels do not render any special service at present, and, in other States there are no such officials. The bulk of opinion is to the effect that, if stipendiary patwaris were appointed, the posts of mali patels could easily be abolished. The amount budgeted for them is Rs. 6,24,000 making a total of Rs. 20,36,000 for both these classes of officials. The additional cost, therefore, of the change-over would

be only 16 lakhs. Even double this sum would not, in our opinion, be too large, when considered in conjunction with the benefits of the reform the expenditure of this sum would bring about. It may be urged that, as patwaris have a hereditary right, they must be compensated if that right is taken away. This legal point needs examination. Normally, when a Gumashta is appointed to do the work, the patwari gets only one-third of the amount due to him, according to the scale, two-thirds being paid to the Gumashta. Taking the present general trend into account, compensation could not in any case be more liberal than 3 years' earnings. On that basis, the Asaldars would get at most for a period of 3 years, 4,70,800 a year and the mali patels similarly 2,08,000 a year. It is, however, to be remembered that, in these instances, there is no taking away of inam lands or any other property. All that is being stopped is the right to serve and to receive the remuneration for that service. This, we think, is fundamentally different from the case of jagirs. It may be found that no claim for compensation can arise in cases where remuneration given for rendering a service ceases, because the service is no longer required. Be that as it may, even if compensation as above is added to the extra expenditure, the cost is not likely to be increased very greatly. Moreover, under the existing rules, Government has a right to ask the original Asaldar to render the service himself, and, if he refuses to do so, to rescind his right to serve. The first step would be to take action on these lines. Statements prepared many years ago show that, for 15,416 villages, there were 13,946 Watans held by 9,176 Asaldars, of whom only 4,276 work personally. No question of compensation would, therefore, arise as regards the rest.

There remains the problem of obtaining a large number of stipendiary patwaris. Careful recruitment and proper training will be necessary. The replacement process would have to be spread over about 6 years, about 1,000 men being appointed every year. We would suggest the opening of 4 training schools under competent instructors at the former Suba headquarters. In most States, the Settlement Department organises training for such appointments, and it would be possible, we understand, for the Settlement Commissioner to arrange for this training, provided reasonable funds were placed at his disposal. The training would have to be good and would have to

cover Survey and Settlement, Revenue Law and the keeping of proper records. A six months' course should enable the new patwari to perform his work with facility. The need for continuous supervision would remain, and the standard of Girdawars, which we understand is deplorably low, would also have to be raised, possibly by giving them refresher courses. Real check would, of course, have to come from the Tahsildar and the Divisional Officer. This seems a large undertaking, but, if the State is to be deterred from absolutely essential reforms because they involve large undertakings, there can be no future for the State. Nor, indeed, is it the first time in the history of the State that people have been trained to undertake a new class of work. All the subordinate officers for the Settlement and Survey work were trained in two similar schools in 1870, under the ægis of Salar Jung, and there is no reason why an experiment that proved so successful then should not be repeated with equal success now.

Patwaris would have to be supplied with proper printed forms and books for keeping their records instead of, as at present, being given a very small sum to buy the paper to make up the books themselves. The large number of forms also needs examination. Unnecessary forms should be eliminated and only those really useful should be kept.

We do not recommend any change in the police patel, except that he should do the work himself and not appoint a Gumashta. His presence is essential in every village, and even in Bombay, where the watandar accountant has very largely given place to the stipendiary official, the hereditary police patel remains. It may be said that the hereditary Karnams still work well in some States, *e.g.*, Mysore and Madras. It must be remembered that the standard of education in those areas is considerably higher than in Hyderabad. This probably made it impossible for the patwari to practise that behaviour which has given him the very special reputation he has acquired here. In our view, all hope of a decent system of administration functioning effectively must be given up if this absolutely vital reform is not carried through, and attempts are made to tinker with the problem on the basis of plausible promises of improvement from influential, vested interests.

CHAPTER VI

DEPARTMENTS

We begin our consideration of the departments of Government with two peculiarly Hyderabad institutions, the Amira and the Atiyat Appeals Committee. The word 'Amira' comes from the triliteral root 'Amr,' to cultivate, to render habitable. In its present form, and as it has been for a long time past, the Amira is the State Entertainment Department. It entertains by providing a Guest House, a garage full of cars and numerous Government functions. It helps the Rajpramukh, Ministers and high officers to entertain by providing service and food, the former free, the latter at very reasonable rates. It has a store full of costly furniture, carpets, crockery, cutlery and linen, for use on official and other occasions. It also runs the establishment of the Chief Minister at Bolarum and keeps a skeleton staff at his Hyderabad residence in Shah Manzil. Whatever the necessity for such an institution in the conditions of the past, when high and vital decisions often depended upon the pleasing of guests, and Ministers and officers of Government, with honourable exceptions, regarded their pleasure as the public good, it hardly needs argument to convince any reasonable person that there is no room for such an institution in the democratic modern state. To consider it is to abolish it. The State as such should entertain only in very rare instances. Every meeting of Civil Administrators or Police Officers is no occasion for State entertainment. Nor, indeed, do visits of Ministers of the Government of India constitute by themselves necessarily suitable occasions for State parties. More entertainment by the State has come to the notice of the Chairman of the Committee during the 2½ months of his stay here than during his many years' service in the Provinces and at the Centre. This generous standard of hospitality is due almost entirely to the existence of a department of Government ready at hand and with ample budget provision for the undertaking of such functions. We recommend that the department should be closed down. The public revenue need no longer

groan under this burden. We understand there are private caterers who can provide adequately for the very rare State entertainments that are really necessary. The Rajpramukh, Ministers and Officers must of course make their own arrangements, if they wish to entertain. We are told that there is no suitable hotel in Hyderabad where high officers of the Government of India and other distinguished visitors can stay. We see no objection to the leasing of the present Lake View Guest House for use as a hotel, so that such visitors may not be inconvenienced. There should of course be no concession in the rates to be charged, nor should Government have to bear any loss on this account.

We understand that, besides a large number of cars not fit for immediate use, the State Garage has 66 cars in good running order. We suggest that the garage be closed down. Eleven cars may be handed over for use to high State dignitaries, whose duties require the possession of Government cars, 2 each to the Rajpramukh and the Chief Minister, respectively, and 1 each to the other Ministers. Nine cars may be transferred for maintenance to the Road Transport Department. High Government of India officials and other visitors to whom Government wishes to extend courtesy may be permitted to use them on a charge of 6 annas a mile. The remaining 46 cars in running order and such of the others as can be put into running order should be sold. In view of the present scarcity of cars and the prevailing high rates, it should be possible to sell these cars at favourable prices, provided care is taken to make the best bargain. Not only should a reasonable capital sum be forthcoming from this proposal but the valuable site used for the garage should become available for other use. Visitors to Hyderabad, including officers of the Government of India, should have no grievance if they have to pay here reasonable charges for accommodation and transport in the same manner as they have to bear when on tour elsewhere. The Greenlands establishment, which already caters for Government officers, should suffice, together with Lake View, to meet the needs of all distinguished visitors. We are definitely of the view that no additional Government building should be set aside for this purpose.

The saving from the above proposals will be Rs. 4,08,230.

While on the subject of entertainment, we might also deal with the Shikargahs. The shooting in these game preserves is reserved for the pleasure of high dignitaries. We see no reason to spend large sums of money for this purpose. We are told that the Government of India attach great importance to the preservation of fauna. We sympathise with the desire to prevent wild species from becoming extinct, but suggest that the making and upkeep of game sanctuaries is a legitimate charge on the Forest Department, which, we have no doubt, will be able to perform this duty at a much lower cost than the present Shikargahs entail. That is a question which the Forest Department will no doubt take up separately. The saving by the abolition of the Shikargahs will be Rs. 1,46,620.

The State of Hyderabad owns two large properties outside its territories, Hyderabad House in Delhi and Napean House in Bombay. In the old days, these were used as temporary residences for the Ruler and members of his family, his Ministers and other distinguished visitors from Hyderabad to these cities. These were essentially luxuries and accorded well with the general atmosphere of a court. Conditions now are different. Ministers and officers are not likely to visit these centres on official business as often as they used to in the past. Even if they do, it is not particularly difficult to obtain accommodation either in Bombay or Delhi. In any case, to maintain these expensive properties for the sake of occasional visitors is uneconomic and wasteful. Hyderabad needs all the capital it can lay its hands on for essential projects and we would suggest that both these properties be sold. In the present state of the property market, excellent prices are likely to be obtained for them. In order to get the best value, the Bombay property which has a good deal of surplus land, should be laid out as a building estate and plots sold individually. The Hyderabad Government has a Chief Architect, so that this should not cost any extra money. Knowledgeable people are of the view that more than a crore should be realised from the Bombay property and about a crore and a quarter from the Delhi property. The amounts saved on the maintenance of these houses will be Rs. 1,44,480. We have just learnt that there is also a property owned by the State in Ootacamund, called Snowden House, and that Rs. 5,700 is spent every

year on its maintenance. We do not find any mention of this in the budget. We suggest that this matter be further investigated. If the property belongs to the State, it should certainly be sold to obtain capital and save maintenance.

The Atiyat Appeals Committee hears appeals from the decisions of the Nazim-e-Atiyat, or the Director of the Atiyat Court. These Courts decide disputes between the claimants to lands or cash payments gifted by the ruler in the past and renewed at each succession. Previously two Ministers formed the Appeals Committee. With the new Constitution, it has been decided that fresh appeals will not be filed. To decide those already filed, a Special Court has been constituted consisting of a permanent Judge, who was until recently a Minister, and an ex-member of the Public Service Commission. The total cost of these two officers comes to Rs. 4,800 a month, or Rs. 57,600 a year. There may perhaps have been some ground for holding that Atiyat appeals should not go to the civil courts, since it had long been the practice to have a special court for them. But, in our view, there is no need for special officers for this work. A member of the Board of Revenue sitting with the present Nazim-e-Atiyat, who being a recent incumbent has obviously not dealt with any of the cases in which appeals are filed, could, we think, dispose of this work without extra cost to Government. We suggest, accordingly, that this work be entrusted to these two officers with instructions to deal with pending matters speedily. The result would be a saving of the total amount mentioned above.

Customs.—The Commissioner of Customs has been on leave for the last 6 months and his work is done by the Sales Tax Commissioner in addition to his own. We suggest that this arrangement should continue; the post of Customs Commissioner being abolished and the Customs Department amalgamated with the Sales Tax Department. The levy of Customs, in any case, is to be reduced year by year, ceasing after 3 years, and the income from Sales Tax will take its place. There is, thus, a peculiar appropriateness in this combination. It has been estimated that there will be a saving of Rs. 43,000 in the Sales Tax Department, and Rs. 6,36,750 in the Customs Department. The total saving on this account will be Rs. 6,79,750.

The Sales Tax work is at present under the Finance Department and as we have recommended that Customs should also be taken over by the Sales Tax Commissioner, it will be convenient if references to Government regarding Customs go to the Finance Department.

Public Works Department.—In view of the amounts included in the Budget for expenditure under Irrigation, Buildings and Communications, we do not think that there is need for more than two Chief Engineers, one for Buildings and Communications and Irrigation Maintenance and the other for Projects. This will mean a saving of one Chief Engineer, as there are 3 at present. We notice that, while there is a complete section under the Chief Architect, the Chief Engineer, Buildings and Communications, has also an Assistant Architect under him on a salary of Rs. 900-1,500, and the City Improvement Board has another on the same salary. There seems to be no need for these 3 separate Architects. All the architectural work should be done in the Chief Architect's office and we recommend the elimination of the other Architects. The Municipal and Public Improvement Department has also a Chief Town Planner on a salary of Rs. 1,600-2,000. The functions of this appointment and those of the Chief Architect could, we are told, be combined without undue difficulty and we recommend the amalgamation of these two posts. The savings from the above suggestions will be Rs. 83,200

Planning and Development.—The Planning and Development Department of the Secretariat having come to an end, the staff meant for it should have been disbanded. Instead, a considerable section has been taken over by the Public Works Department which is using it for work which obviously was being done by other staff within the department. This is clearly unjustified. The staff taken over should be disbanded and a saving of Rs. 1,96,096 will accrue.

Board of Revenue.—At present, all Members of the Revenue Board are of the same status and we see no reason to change this arrangement. At the same time, for the purpose of guiding the deliberations of the Board and of deciding on the distribution of work, it is necessary that there should be a head, and we suggest that one of the Members should be termed the First or Senior Member of the Revenue Board. This is, of course,

only for the purpose of administrative convenience and should not mean any increase of emoluments.

Excise.—A suggestion has been made to us that, since excise is now under the Board of Revenue, the post of the Commissioner of Excise should be abolished, and the Board should directly supervise the work of the Deputy Commissioners. We do not agree with this suggestion. Excise is the most important receipts item in the Budget, and it is proper that the energies of a full-time senior officer should be devoted to it. There are 5 Deputy Commissioners, 1 at headquarters and 4 in the districts. After consultation with the Member of the Board of Revenue in charge of Excise and the Commissioner of Excise, we think that, without detriment to efficiency, one Deputy Commissioner can be reduced. The Deputy Commissioner at the headquarters is responsible at present for auctions in the City. There is no reason why this should not be taken over by the Taluqdar of Hyderabad as in other districts. This means a saving of about Rs. 15,840.

Education.—The University has been given in the Budget for 1950-51, Rs. 72 lakhs. Rs. 5 lakhs being non-recurring, the recurring grant is Rs. 67 lakhs. Receipts are estimated at 4 lakhs leaving 63 lakhs to be paid by Government. When the Vice-Chancellor of the University was examined, it was pointed out to him that only a short while ago, the University used to manage with a block-grant of about 45 lakhs and that, in the present circumstances, reduction of the block amount to somewhere about that figure was very desirable. The Committee would prefer to leave the University to suggest necessary economies. The Vice-Chancellor promised to investigate the matter and let the Committee have his views. He has sent in proposals now which amount to an increase in receipts by Rs. 8,08,113 and a decrease in expenditure by Rs. 7,12,344, or a net reduction of Rs. 15 lakhs. As the salaries have been decreased, and dearness allowance is a proportion of the salary allowed, there will also be a decrease in this item. On the whole, the reduction proposed, should, therefore, amount to Rs. 17 lakhs, leaving 46 lakhs to be made up by Government. The reduced scales suggested are, in some instances, higher than those which we have generally proposed, and if they are brought down to that level, there will be a further saving.

One particular instance of high salaries rather than of scales which has come to our notice is the proposal to create professorships in Telugu, Sanskrit, Kanarese, Hindi and Marathi. Considering the incumbents likely to be found for these posts and their likely present earnings outside the University, we feel that the salaries fixed for readers should suffice for these appointments. They may be termed professorships if the higher designation is considered desirable. Higher salaries are also being paid for professorships in Persian, Arabic and Urdu. These, too, should be brought on the same scale, unless for Arabic or Persian a native of the land, specially qualified to teach the language, is imported.

We understand that the number of students in the Veterinary and Agriculture Colleges is very low and the cost per capita is accordingly high. There is ample scope in the State for persons well-versed in both these, and we would suggest to the University that wide publicity, more specially in the rural areas, be given to the facilities provided by these colleges. Greater advantage ought also to be taken of the Teachers' Training College, where, too, the number at present seems somewhat limited and the per capita cost high.

The State has been most liberal in the matter of grants-in-aid, the permitted ceilings being higher than in any other State in India. We suggest that they be reduced for High Schools (including Middle and Primary sections) to Rs. 25,000, Middle Schools (including Primary sections) Rs. 12,000 and Primary Schools Rs. 3,000. These, too, will be more liberal than in most of the neighbouring States. The savings under this item are estimated to be Rs. 3,84,000.

School fees in Hyderabad were fixed many years ago when it was very necessary to induce parents to send their children to schools. Conditions have altered very greatly. There are more students than accommodation in most schools. The fees enforced are considerably lower than in neighbouring States and we suggest that they be raised. Primary education in primary schools is free and we do not propose any change there. The fee for students attending primary classes attached to Middle and High Schools should be 1-8-0 per mensem. As the approximate number of students is about a lakh, this would fetch Rs. 1,50,000 per month. It is always

open to a child, of course, to receive primary education free in other Government institutions which are entirely devoted to primary education. If, for the Middle School, fees are levied at Rs. 3-8-0 a month, which is by no means excessive when compared with the rates prevailing in the neighbouring States, the amount of Rs. 24,44,000 will accrue to Government. The High School students pay at present only Rs. 1-9-0 per month. If that is raised to Rs. 4-8-0, which again is quite reasonable in comparison with other States, there will be an additional income of Rs. 29,07,000.

There are certain schools, Majidia, Mahbubia and Aliya, which have been maintained at a higher standard than other high schools because of the class of students attending. Differences in expenditure on this basis can no longer be justified, and a cut of 25% in their budget is recommended. This will mean a saving of Rs. 1,04,760.

Rs. 27,700 have been provided for a School of Music and Dancing. We see no necessity for Government to undertake this expenditure and would recommend that the idea be given up. Rs. 20,000 have been provided for the Law Class. We understand that this has been abolished, as law lectures are now given in the University.

In all the High Schools in the City, 20% of the students pay no fees and 40% pay half fees. In the District High Schools, 30% pay no fees and 60% pay half fees. In other words, fees are not recovered for 40% of the students in the city schools and 60% in the district schools. In the present financial circumstances, we think these percentages ought to be reduced, more specially as these were introduced only 3 or 4 years ago. We would suggest their reduction to 15% full freeships, and 30% half-freeships. As a result of all these measures, Rs. 45,95,000 will be added to the revenues of Government. We would suggest that this amount be devoted to extending Primary education in which, we understand, the State lags far behind surrounding States.

The number of students taking advantage of technical education is limited, and the Special Officer, Technical and Vocational Education, tells us that this is because of shortage of the facilities provided for them. The amount spent on Technical Education is only 22 lakhs.

While giving evidence, he represented to us that, for his office, there was no senior assistant nor had he any staff for conducting examinations, and with regard to both these, he had been told that no further staff would be sanctioned until the report of the Economy Committee had been received. It is clear that the efficiency of the work of an officer of this standing must suffer unless he has proper senior assistants. We would recommend that such assistance be given. All steps necessary for the encouragement of Technical Education are of vital importance to the State in particular and the country generally. There is, we understand, great need for the setting up of a polytechnic, and we suggest that a small committee, including the Chairman of the polytechnic from Madras or Mysore, be set up to examine this matter in relation to the whole question of Technical Education.

Scouting.—Scouting in the State has been almost entirely under official control and guidance. If this important activity is to really serve its purpose, non-official patronage and support is most necessary. We suggest that the question of abolishing the present posts of Organising Commissioner of Boy Scouts and Lady Trainer of Girl Guides be investigated and arrangement may be made for the discharge of their duties through non-official channel.

Stamps and Registration.—This department is under an Inspector-General with two Assistants. The post of Inspector-General may be abolished and his work transferred to the Board of Revenue, which we understand will be able to undertake it. This will mean a saving of Rs. 15,840.

Economics and Statistics Bureau.—Hyderabad has an Economic Adviser to Government attached to the Finance Department and a Director of Statistics attached to the Revenue Department. We find that for each of these attached offices, there are several officers, some of whom are not qualified for doing any kind of economic or statistical work. The Economic Adviser's office issues a bulletin once every three months which is very largely a digest of articles of economic interest from American and British papers. It reproduces the speeches of Indian politicians and Hyderabad Ministers which have already appeared in the newspapers and has a couple of articles of local interest. The Director of Statistics does not seem

to trouble the public at all. He is content to be a post office, transmitting to various departments of Government, information which he receives from a number of clerks in various Tahsil offices. The attempt at complete centralisation of statistics, which is represented by this department, has been a failure. We have had these offices generally examined by a specialist, who has administered with conspicuous success an Economic and Statistics Bureau in another part of India, and we agree with his conclusion that the two offices ought to be combined and reorganised. Their functions should be, in his words :

“ The proposed General Bureau of Economics and Statistics should have the following functions :—

(i) *Co-ordination and Guidance*.—Subject to guidance from the Bureau, individual departments will continue to collect their own statistics. The Bureau will co-ordinate these statistics, suggest improvements in the existing methods of collection and offer advice in regard to the collection of new statistics. It will provide the requisite liaison between the Central Government and the State Government in respect of all statistical matters. It will organise in the State sphere any statistical surveys required as part of approved all-India plans.

(ii) *Enquiry and Intelligence*.—The Bureau will itself carry out, where that course is more convenient, enquiries affecting more than one Government department or enquiries of a specialised nature. It will be associated with all socio-economic enquiries ordered by Government. It will prepare and publish an Annual Statistical Abstract for the State and a quarterly Bulletin, and also undertake, if practicable, the preparation of an Annual Memorandum on Employment, Income and Expenditure of the people of the State.

(iii) *Research*.—The Bureau will conduct economic and statistics research, maintain a Statistical Laboratory and manage the Central Secretariat Library.

(iv) Until further orders, the statistical units in charge of Agricultural Statistics and Wages and Cost of Living Sections will form an integral part of the Bureau.

The Bureau will be attached to the Finance Department.”

The reorganisation would mean a reduction in the gazetted staff from 13 or 14 officers to 7. As regards

non-gazetted staff, some reduction will be possible. One special point may be mentioned. There are 5 stenographers in the office of the Economic Adviser and none in the office of the Director. With the reduction in the total number of officers, these should be reduced to three. Clerks of the Statistics Department attached to the Tahsil offices and Inspectors attached to the district headquarters should be absorbed in the regular establishment of the Tahsildar. The Statistical Inspectors are supposed to spend 5 months in the districts, checking the agricultural statistics by spot inspection, and 7 months in Hyderabad compiling the returns received from the districts.

—The net savings as a result of the above proposal will be Rs. 52,000.

Department of Information.—The Department of Information produces a bulletin known as “Hyderabad Today.” We perused several copies and formed the opinion that it serves no useful purpose. We informed the Home Secretary of this when he came to give evidence. We are glad to say that, since then, Government has decided to stop its further publication. As we understand that the whole question of economy in this department is being considered by the Home Department, we do not propose to go into further details. We are sure that further necessary economy will be effected. The saving on the abolition of Bulletin will be Rs. 1,28,500.

Judicial.—We have heard with pleasure the testimony of several witnesses about the high standard of independence and integrity of the Judicial Department of the State. Some have ascribed this to the separation of the Judiciary from the Executive, which, in their view, has been responsible for much good. General opinion about the despatch and efficiency of judicial work is, unfortunately, not equally encouraging. The Judicial officer here, we were told, was inclined to take life more easily than in other States. The grant of adjournments, according to some, had become almost automatic on request by the pleader, and hardly ever was there any attempt to dispose of a case speedily. Even in Sessions cases, trial from day to day was not the general custom and several adjournments were not rare. This view seems to be supported by the large number of prisoners awaiting trial, over 5,000, in the jails of Hyderabad. Each under-

trial prisoner costs Rs. 30 a month. Expenditure on this account is thus likely to come to Rs. 18 lakhs a year. It is said that the police are responsible to a certain extent for the delays, because, on occasion, witnesses are not produced, and, sometimes, prisoners are not challaned for long periods. Once, however, a man has been produced before a Judicial officer, he is in his custody and it becomes his responsibility to see to his proper disposal. Justice delayed is justice defeated, and, although it be the fault of the police, in the first instance, it is the judicial officer's duty, in our view, to take steps, by urging Government and otherwise, to see that the police error is promptly rectified. The ultimate responsibility, if people are kept in jail for long periods without trial, must rest upon the Judiciary.

The quality of the work done would also seem to leave much to be desired, judging from the statements in the latest Administration Report of 1358 F., that "in regular civil appeals, 30% of the judgments of the subordinate courts were approved, and 10% of appeals were allowed," and that "in criminal appeals, 30% of the judgments of lower courts were confirmed, 37% reversed, 6% modified and 3% remanded for further enquiry and the rest comprise those where the accused died, escaped, etc."

The Administration Report also shows that, of the High Court Judges, the only ones who toured were the two incumbents of the Chief Justice's appointment, each of whom spent 5 days outside headquarters. In the circumstances of Hyderabad, very much more vigorous inspection seems to be necessary. This Judiciary being completely separate, the only authority with power to see that the subordinate judicial officers do their work as they should, is the High Court. Along with that power, also goes that responsibility. We would, with due deference, urge that the practice followed in certain Indian States of a senior Judge touring a week at a time to inspect the Courts of each district be followed, so that, in the course of the year, all the districts can be inspected at least once. If the Chief Justice and 3 senior Judges share this work, it is not likely to involve more than a month's touring per Judge, and would have a very salutary effect on the District and Taluqa Courts.

Examining the list of work of the various Munsiffs' Courts, we find about 40 in which there are less than 500

institutions in a year. We have little doubt that considerable reduction in the number of these courts is possible. Even taking into account the factors of distance and lack of communication facilities, it seems to us that at least 15 could be reduced. We take this figure into account in calculating savings, and trust Government will, in consultation with the Chief Justice, find little difficulty in deciding on the courts to be closed.

There remains the somewhat vexed question of the High Court vacation. The High Court takes two months' vacation. In effect, for 11 Judges, this means 22 months' absence from work. Judges are entitled to 15 days' leave, as against the usual one month after 11 months of work of other Government servants. It is sometimes said that the work of a Judge imposes so severe a strain that two months' rest in every year is essential. It is also urged that the Judge's work is creative and that, therefore, there must be opportunity for his mind to lie fallow from time to time. We are unable to accept the view that the High Court Judge's duty is more arduous and his responsibility greater than that of all other public servants. The real argument for continuing the vacation seems to be tradition. We would suggest that Hyderabad set an example in this matter. There need be no vacation, and the rules may be changed to permit Judges to take the full leave allowed to other public servants. This change would lead to considerable reduction of arrears, enabling the strength of the High Court to be brought down to 9 after about a year.

Police.—Expenditure on police has increased from 71.15 lakhs in 1955 F. to 5.20 crores in 1950-51. The strength of the police force has risen from about 18,000 men to about 43,000 men. 30,666 of these is the normal police force, 26,238 civil and 4,428 armed, and the remainder, about 12,000 men, are armed units from other States on deputation to Hyderabad. The presence of these latter has been necessitated by the specially disturbed conditions in the communist affected areas. The cost of the Hyderabad State Police is estimated to be 3.60 crores and that of the forces on deputation, 1.60 crores.

Expenditure on police forms the largest single item in the State budget. It comes to 17 per cent. of the total amount, which is clearly disproportionately high. Accordingly, from the very beginning, we have felt that there ought to be substantial reduction in this amount. After

hearing several witnesses, it seemed to us best to raise the matter at the highest level. We addressed a letter to the Chief Minister, asking for an authoritative appraisal. That appraisal has been made and we are now told that it is possible to reduce 3,500 men in the State Police and that this will save Rs. 40 lakhs a year. By making adjustments, less petrol can be consumed and savings of another $5\frac{1}{2}$ lakhs effected, making a total of Rs. 45 $\frac{1}{2}$ lakhs. A promise of a saving of Rs. 30 lakhs by the end of 1951-52, that is March 1952, on a further reduction of 2,500 in the State Police, has been made. No savings, however, are proposed in the cost of the borrowed Armed formations here on deputation. A deputation allowance of 50% over basic pay has to be given to these men. A hope is held out that, by March 1952, it will be possible to substitute for two of the borrowed units, battalions recruited from within the State. Then 20 lakhs more will be saved. A year after that, it is said, it may be possible to raise two more battalions and save another 20 lakhs. "In this way, ultimately, we may be able to secure a total saving of about Rs. 100 lakhs per annum in the police budget."

We agree that, with the immediate reductions and those proposed in the near future, there will very probably not be much room for further saving in the State Police Force, which will immediately fall to 27,000 and finally to 24,000. We realise, that the taking over of the jagir and the Sarf-e-Khas areas has added to the responsibilities of the police, and that, when comparing the force with that which existed in 1355 F., account has also to be taken of the 4,000 Arabs, most of whom were employed on police duty, guarding treasuries, etc.

The general position, however, leaves much to be desired. Is this incubus of 12,000 men to continue for ever? From the appreciation we have received, it would seem that Government do not see any hope of effecting any reduction in their numbers even by the end of 1953. Assuming that the same number of men must remain, it becomes all the more necessary to reduce expenditure on them immediately. This can be done by substituting men to whom the 50 per cent. deputation allowance and free travelling passes to their homes need not be given. We would suggest that, instead of waiting for 2 years to train 2 battalions and saving Rs. 20 lakhs by the end of 1952, Government should immediately

take over 3,000 men accustomed to the use of arms, selecting them carefully from among those who have recently been demobilised or are to be demobilised from the State Forces, and return 3,000 of the borrowed formations to their parent States. The objection to this course, we have been told, is that most of the demobilised men belong to the minority community, of which there is already a large preponderance in the State police, and that, accordingly, it is not desirable to take this action. Our answer is, that these men will only replace one-fourth of the present 12,000, the other three-fourths of whom belong to the majority community. Even if there is any ground for apprehension, it should be possible to use them mixed with the other three-fourths. Further, we have been told on several occasions by people belonging to the State, that they are quite willing to have in their Police Force recruitment of the minority community, in spite of the fact that there is already a preponderance of that community in it, and that, in the circumstances of today, they do not apprehend any particular danger from that course of action. An important official witness, originally from outside the State, also shared the view that such recruitment would be useful. We would urge that this step be taken immediately. It will mean a saving of Rs. 30 lakhs in the next financial year. Another aspect which cannot be neglected by Government, is that this course will provide employment for 3,000 men who would otherwise be without work. We have been told that some of the recent increase in crime is due to men accustomed to the use of arms becoming desperate, owing to lack of livelihood as a result of demobilisation. Government should at the same time persist with its plans of recruiting other battalions, so as to be able to return more of the armed formations by the end of 1951-52. We suggest that the raising of 2 battalions only seems a very modest aim. With proper organisation, it should be possible to raise and train at least four before the end of the next year from among the majority community within the State, or if sufficient numbers are not coming forward, from outside the State. A good recruiting organisation is obviously essential for this purpose and we would suggest that, if necessary, a good Colonel or Brigadier, Marathi speaking and accustomed to the recruitment of Mahars and Marathas, be put in charge. The total saving on this account, if our proposals are accepted will thus be 75½ lakhs in 1951-52, and 115½ in 1952-53.

Our remarks about dual administration in the districts apply equally strongly to the police. Here too, we would urge Government to see that there is only one head of the district police and that, if it appears necessary that a man from outside the State should hold charge, he should either be taken up permanently or for a period of years.

The normal police force of a State of this size ought not, in our opinion, to cost more than 10% of the budget in any case. We notice that the Hyderabad Government is inclined to share our view and that, if it were not for the special forces necessitated by the unfortunate circumstances of the present time, that position would easily be attained. What is so disquieting to us is the fact that Government seem to contemplate continuance of the increased forces, and, presumably, therefore, of the circumstances that necessitate them for several years. In our view, a much quicker solution is essential. What that is, we cannot say without more detailed study than at present. But it is clear to us that, even apart from the expenditure aspect, the continuance of the present conditions that obtain in the disturbed areas for a further period of years, is fraught with the most dangerous consequences not only to the State but to the country as a whole. It may be that, looked at from that aspect, the solution lies in central control, the exertion of maximum force over a short period and the rapid acceleration of ameliorative measures. We cannot at the moment say definitely, but we would suggest that Government both at the Centre and in the State consider this matter seriously themselves.

CHAPTER VII.

PAY SCALES

The scales of pay in force at present for the gazetted and non-gazetted cadres were introduced about three years ago, and furnish a typical example of the way in which a bureaucracy in power helps itself. Four of the members of the Cabinet sanctioning these scales were officials. As a result of these, expenditure on salaries increased by 63 per cent. The expenditure on gazetted salaries went up by 40 per cent., and that on non-gazetted by 56.9 per cent. A Retrenchment Committee, appointed in 1944, had completed its report in 1945. Consideration of this report was deferred from time to time, and it was finally shelved by the appointment of the Pay and Service Commission. A rise in the cost of living was stated to be the reason for the increases in the salaries allowed by the Pay Commission. This reason had some validity as regards the non-gazetted staff. The Pay Commission, however, went out of its way to raise the salaries of the gazetted staff also considerably. The higher the appointment, the larger the increase granted. The real reason for this extraordinary munificence seems to have been unexpectedly large budget surpluses, resulting in an excellent financial position, combined with the desire to show the world that the independent State of Hyderabad lagged behind none in its treatment of its principal servants. As a witness put it, the gazetted salaries were designed to enable officers to maintain handsomely their status and position.

In considering the question of salaries to be allowed for the future, several factors have to be borne in mind. Hyderabad is now a State of the Indian Union. Its financial position, as is evident from Chapter II, can scarcely be regarded as satisfactory. Most of its rural areas lag far behind other States in the provision of the most ordinary amenities. A maximum for salaries has been set by the Indian Administrative Service pay scale, and Hyderabad has agreed to accept the Administrative Service Scheme and to reserve 86 of its principal posts for

recruitment from that source. Taking into account these circumstances, it would be quite untenable to maintain the present pay scales for gazetted officers, and we suggest the following to take their place so as to make them comparable to the scales in a State like Madhya Pradesh or Madras :—

1. 300-20-500 instead of the present 300-600.
2. 400-25-550-E.B.-30-700 instead of the present 400-800.
3. 700-40-900-E.B.-50-1,400 instead of the present 900-1,500.

It is true that the cost of living has moved up since the present scales were sanctioned. Nor, unfortunately, do there seem to be any signs of the Government of India's ability to hold the cost of living. The salary of a gazetted officer, however, will even now contain some margin for what might be regarded as not absolutely essential expenditure. Nor is there any reason for an officer in Hyderabad to be better off than an officer in Madhya Pradesh or another neighbouring State. It must be remembered, that only three years ago, Hyderabad officers were drawing much lower salaries, and, in almost all cases, the salaries proposed by us are higher than those they were getting then.

We recommend that the new scales proposed by us should apply to all officers, whether permanent or officiating in their present posts. It may be urged that the normal practice is to apply new lower scales only to new entrants, but the circumstances in which the new scales were granted and the very large increase they brought in, are sufficient reasons for our not retaining them. This proposal does mean a loss over the salary enjoyed at present, but it can scarcely be argued that, within the short period the officer has been drawing the higher salary, he has become so accustomed to a higher standard of living, if indeed he has raised his previous standard at all, that he cannot bring it down now.

Had we been writing on a clean slate, we would have considered this question in the light of first principles, of the place which the public servant should occupy in society, of the relation that should exist between his salary and the per capita income of the country, of the effect of his salary on society as a whole. We cannot, however refuse to take cognisance of existing circumstances, the most powerful of which is the high scale already fixed for

the Indian Administrative Service. It is in the light of this and the other considerations mentioned above, that our proposals have been framed. We have very little doubt that, realizing the larger interests of the State, the needs of its people and the necessity to set an example, such members of the gazetted staff as have to bear this sacrifice, will do so cheerfully and without grudging.

There are a few senior posts outside the regular cadre, the salaries of which remain to be determined. All these shared in the general increases allowed by the Pay and Service Commission, and it is but meet and proper that, on the basis of the arguments above, their salaries should suffer a reduction. To allow these salaries to continue at the present figure would mean exercising discrimination and causing discouragement to more junior officers. For those posts we suggest salaries as in Appendix 'B.' These will mean a very substantial cut for permanent incumbents of the posts in some cases. For them, we would suggest a reduction not exceeding Rs. 500.

The total saving as a result of our proposals under this head is estimated to be Rs. 38.68 lakhs.

The question of the cost of living is of much greater importance when we come to consider the scales that should apply to the non-gazetted and inferior staff. The value of a rupee is infinitely greater to one whose income is Rs. 50 than to one whose income is Rs. 500, in the sense that, while the former's total income must necessarily be devoted entirely to the purchases of necessities, the latter has some room for choice. In spite of this, had the cost of living been the same as in 1947, we would not have hesitated to reduce to some extent the high increases allowed to the non-gazetted staff. Things being as they are, however, we have left their scales unaltered in the main. The principal change we have made is in the scale of II Grade clerks, stenographers and accountants, whose pay we have brought in line with that of clerks of the same grade in the neighbouring Madhya Pradesh State, by reducing the II Grade to Rs. 115-5-145-E.B.-7½-190.

A comparatively small number of I Grade Clerks draw pay in the scale of Rs. 225-400. This scale was intended for the Audit and Accounts Department, and, on the analogy of that department, was given to other posts claiming to be technical. Audit and Accounts is now a Central subject. We see no reason to maintain the

difference, and, accordingly recommend the bringing of this scale in line with the first grade scale of Rs. 200-10-300-E.B.-15-375. A distinction has also been made in the past between typists and third grade clerks, typists being allowed the higher scale of Rs. 65-155. All clerks should be able to type, and we do not see any reason to continue this practice, which is not to be found in neighbouring States.

Candidates having certain high or special qualifications are started at a higher stage in the pay scale both for gazetted and non-gazetted appointments. Our view is that the same work should carry the same pay and we do not approve of this distinction in starting pays.

We might have legitimately avoided much of the labour involved in this chapter and the next, had we followed literally the second of our terms of reference. We felt, however, that, since we were examining the whole question of economy, we could not in the public interest neglect some of its important features. Accordingly, we have examined in detail both pay scales and allowances.

CHAPTER VIII

ALLOWANCES

Allowances in Hyderabad have sprouted like weeds in fertile, ill-cultivated soil. Although many have been dug out in recent years, yet, the number of those remaining is large. The Finance Department was requested by Government to examine these in detail and we have recently seen its recommendations. It proposes to reduce the total by about 5 lakhs and to classify the remaining allowances, which go by several names at present, under three heads, presumably to make that appear reasonable under the new name, which, under the old, certainly does not seem so. In our view, most of these allowances deserve to be swept away. The only ones that should be retained in suitable cases are Dearness, House Rent, Travelling and Conveyance. We are satisfied that the abolition of other allowances will prove no detriment to the public service.

Charge Allowance.—An officer who holds charge of the current duties of another appointment must regard it as an incident of service which is not likely to arise very often and should not expect special compensation. We understand, however, that, in many cases, officers are required to hold current charge of another appointment for long periods. This is quite wrong. No officer should be burdened with additional duties of this kind for more than two months. Longer periods obviously need officiating arrangements.

Special Pay.—There would seem to be very little ground for the special pays that we find scattered through the Civil List. Every officer is supposed to perform whatever duties are entrusted to him with necessary zeal. Special pay, we feel, should be restricted only to a very few posts outside the ordinary cadre of a service, and we would give it only to Secretaries to Government, and Commissioners, Customs, Sales Tax, Excise, City Police and Land Records.

Motor Allowance.—Officers in a position to own cars should not, in our opinion, be given this allowance. They

will naturally get proper Travelling or Conveyance Allowance, if circumstances make it necessary and that should suffice. We see no reason for the Rs. 150 allowed to Secretaries to Government and other officers who now get it. There may be a case for the grant of Permanent Travelling Allowance to some of these officers whose duties involve continuous touring and we mention them under that head.

We have suggested at another place that Ministers should be paid some allowance for the maintenance of their cars. A motor allowance of Rs. 200 a month seems reasonable for them.

Staff Surgeon's Allowance.—To pay a special allowance for personal attendance on a particular public servant, however highly placed, is not in accord with the spirit of the times. All public servants who are entitled to medical treatment will naturally receive it in the proper manner.

Compensatory Allowance.—The definition of this allowance in the Hyderabad Civil Service Regulation seems to be designed to cover all sorts of circumstances in which it is proposed to be munificent to a Government servant. We do not think there is any room for this kind of allowance in a modern State.

A.D.Cs.' Allowance.—There should be no A.D.Cs. in Civil Administration, except for the Head of the State, and consequently no question of allowance for them should arise.

Deputation Allowance.—This, we understand, has been recently abolished for officers of one department lent to another. Even where Government servants are lent to a semi-Government department, for instance, Hyderabad Commercial Corporation, Municipalities, or Local Self-Government institutions, no deputation allowance should be given. While it is true that the burden of such an allowance does not fall on Government, it is not right either that Government servants should feel that, by working outside their proper sphere, they can earn more or that the burden should be transferred to the public authorities borrowing Government servants, which in many cases are in a worse financial position than Government itself.

Sumptuary Allowance.—We understand that this allowance is not drawn by any officer at present and we trust that, in future too, no question of its grant will arise.

Acting Allowance.—This, we understand, is obsolete. When an officer takes short or long leave, proper officiating arrangements are made.

Private Practice Allowance.—This allowance seems to be very widely given. The purpose for which it is given, namely, to prevent medical men who are required to give full attention to their duties from diverting any of their energy to outside work, has, we understand, been completely lost sight of. We are told that medical officers who can practise, do, in fact, practise, whether they get a private practice allowance or not. In the circumstances, it is clear that this allowance serves no purpose and should be abolished. Its place should be taken by a prohibition to officers not expected to practise not to do so, and, by disciplinary measures, in case it is found that they do not obey the orders on the subject.

Lecturer's Allowance.—A Government servant lecturing to other Government servants on the improvement of their work, for instance, teaching Secretariat clerks noting and drafting, should not receive any allowance.

Social Service Allowance.—Officers receive special pay under the guise of this allowance. There is no reason for continuing it.

Conveyance Allowance.—This is supposed to be for Government servants whose duties involve travelling a good deal within a radius of 5 miles. On that basis, a reduction of Rs. 69,300 out of the present Rs. 7,75,000 is suggested, as in the attached list, Appendix 'C.'

Cycle Allowance.—This is a form of conveyance allowance.

Permanent Travelling Allowance.—This is intended for Government servants whose duties involve continuous touring outside a radius of 5 miles. We find that many Government servants whose duty did not justify this allowance were getting this, and, accordingly, we propose a reduction of about Rs. 1,85,424, as in the attached Appendix 'D.'

Local Allowance.—This, we understand, is another name for compensatory allowance. We have already dealt with that above. This should be abolished.

Overtime Allowance.—This is confined only to employees in Commercial departments, e.g., Printing and Stationery, Mint (Stamps), etc.

Peshi Allowance.—The fact that a man works in the presence of a particular Minister or Officer, or has to be in personal attendance on him, is no reason for paying him more. This should be abolished.

Library Allowance and Typist's Allowance.—There is no reason to give these allowances and they should be abolished.

Secretariat Allowance.—(Now known as Special Pay).—The plea of longer hours, more arduous work, and greater responsibility in the Secretariat is, in our opinion, greatly overdone, whether for gazetted or non-gazetted staff. A Second Taluqdar or Taluqdar in charge of a difficult district often has to bear more responsibility and to undertake more arduous labour than the Deputy Secretary of a Secretariat Department.

Originally, we understand, this allowance was not given to gazetted officers in the Secretariat. The Secretariat scale for non-gazetted staff was higher than the scales outside. When these latter were raised, it was felt that the non-gazetted staff working in the Secretariat would be discontented if their previous advantage was not maintained, and hence this special allowance was given to them. On the analogy of the non-gazetted staff, it was thought that the gazetted staff should also have it. We do not think it should be continued for either category.

Dearness Allowance.—This is allowed to persons drawing salaries up to Rs. 1,200, and is on lines comparable to those in Madhya Pradesh and other neighbouring States. We see no reason to suggest any change.

Dearness Allowance to Pensioners.—A special feature of the allowance system is the grant of dearness allowance on the same basis as to serving employees to those who draw pension from Government. The upper limit for the grant of these allowances used to be Rs. 1,000, but a few months ago it was reduced to Rs. 500. Not only do ordinary pensioners get this allowance, but also those who get pension on compassionate grounds. The current rates are :—

Up to Rs. 50 ..	..Rs. 15 per month.
Rs. 51 to Rs. 100	..Rs. 25 "
Rs. 101 to Rs. 200	..Rs. 35 "
Rs. 201 to Rs. 500	.. 17½% of pension with marginal adjustment up to pensions of Rs. 587-8-0.

It is perfectly true that those who draw pensions from Government are as much affected by the high cost of living as any Government servant. At the same time, a pensioner, once he begins drawing pension, is merged in the general public, and there would seem to be no reason to discriminate in his favour as against other members of the general public. In Bombay and Madhya Pradesh, we find that no dearness allowance is given to pensioners who draw more than Rs. 100 a month. Those who draw up to Rs. 20 get Rs. 4; those who draw up to Rs. 60 get Rs. 5; while those who draw up to Rs. 100 get Rs. 6. The total amount involved in the present concessions is Rs. Rs. 73,91,000 per annum. In the existing financial condition of the State, we do not think it justifiable to continue the current rates. We would limit dearness allowance to pensions, ordinary or compassionate, up to Rs. 100, and would make the amount uniformly I.G. Rs. 6. The bulk of pensioners fall in this group. The savings on this account will be Rs. 42,51,000.

Pay scales have been raised since 1947, so that those who retire after 1st October this year will count for pension 2 years at least at the enhanced scales. For them as well as those who get compassionate allowance after that date, we suggest a uniform dearness allowance of I.G. Rs. 5, the limit of pension being Rs. 100.

House-Rent Allowance.—There was no house-rent allowance in Hyderabad until 1356 F. It was introduced thereafter, and, following the Pay and Service Commission Report, was fixed as below :—

<i>Pay Range</i> (O.S.)	<i>Towns with a population of not less than 25,000 and all Dist. Headquarters</i>	<i>City of Hyderabad</i>
Rs.	Rs.	Rs.
Up to 55	3	5
56-100	5	7
101-200	7	12
201-300	10	15
Above 300	15	20

In Madhya Pradesh, there is no house-rent allowance. In Mysore, staff drawing up to Rs. 150 get house rent allowance in a few urban centres and the highest allowance is Rs. 7. Lower grade employees drawing salaries up to

Rs. 80 are given house-rent allowance in Madras City alone, the maximum being Rs. 7. In Bombay City, only Class IV servants receive a house-rent allowance of Rs. 6.

Every person is normally expected to spend at least 10 per cent. of his income on house-rent. Conditions in Hyderabad are not worse than in Bombay or Madras, and there is no justification for the present liberal house-rent allowances. In our view, the real needs of the situation will have been adequately met by continuing this allowance for employees drawing up to Rs. 125 and grading it as follows :—

<i>Pay range</i>	<i>District Headquarters</i>	<i>Hyderabad and Secunderabad</i>
Rs.	Rs. a. p.	Rs.
Up to 55	2 8 0	4
56-125	4 0 0	6

Marginal adjustments may be made so that people drawing up to Rs. 130 are not worse off than those who draw Rs. 125.

There are, we understand, a large number of vacant Military Buildings available in the suburbs of both Hyderabad and Secunderabad. There should be no difficulty in allowing the use of these for housing non-gazetted Government servants who find it difficult to obtain accommodation. To convert barracks, for instance, into two-room tenements, with suitable amenities, would not cost any very large sum, and might bring in sufficient rent to make the project worthwhile. Bus services already run on the routes from these areas, and special buses could be added to meet the morning and evening rush from the offices.

It has been mentioned to us that many City Improvement Board houses constructed for persons earning low salaries are occupied by individuals who can afford to pay much higher rents. Immediate steps should be taken to remedy this state of affairs.

Travelling Allowance.—The question of allowances for travelling is generally a very vexed one, and it is difficult to find a figure which will just hit the mark. At the same time, there would seem to be no reason why these allowances, railway fare, air fare, mileage and daily, should be

higher in this State than in the neighbouring States of Madhya Pradesh and Madras. It can scarcely be argued that the cost of travelling is higher in Hyderabad. We have considered the matter in this light, and recommend the allowances in the second column of the table below for the persons mentioned in the first column :—

Railway Fare

Hon'ble Ministers	..	.. 1st Class Com- partment plus 3/5ths single First Class Fare.
Secretaries and high officers	..	1½ First Class Fare.
Officers drawing Rs. 500 and above	..	1½ First Class Fare.
Officers drawing between Rs. 200 and Rs. 499		1½ Second Class Fare.
Those drawing between Rs. 100 and Rs. 199.		1½ Inter Class Fare.
Those drawing below Rs. 100	..	1½ Third Class Fare.

Air Fare

The rate allowed by the Government of India and several State Governments is 1¼ Air Fare, and that, should be adopted in Hyderabad instead of the present 1½ Air Fare. Travel by air entails, in reality, negligible extra expenditure.

Daily Allowance

Hon'ble Ministers	..	.. I.G. Rs. 12 with- in the State and I.G. Rs. 20 out- side the State.
Secretaries and high officials drawing above Rs. 1,500.		I.G. Rs. 7.
Those officers drawing between Rs. 900-1,499.		I.G. Rs. 6.
Officers drawing between Rs. 500-899		I.G. Rs. 5.
Officers drawing between Rs. 200-499		I.G. Rs. 3.
Officers drawing between Rs. 100-199		I.G. Rs. 1-10-0

Officers drawing below Rs. 100	..	I.G. Re. 1 plus 33 $\frac{1}{3}$ % tempo- rary increase.
Inferior servants	..	.. I.G. Re. 0-12-0.

Officers visiting Provincial Headquarters, such as Bombay, Madras, Delhi, etc., and recognised Hill Stations, should receive 1 $\frac{1}{2}$ daily allowance instead of the double allowed at present.

Mileage.

Hon'ble Ministers	..	.. I.G. Re. 0-10-0.
Officers drawing Rs. 500 and above	..	I.G. Re. 0-8-0.
Officers drawing between Rs. 200 and Rs. 499.		I.G. Re. 0-4-0.
Officers drawing below Rs. 200	..	.. I.G. Re. 0-3-0.
Inferior servants	..	.. O.S. Re. 0-2-0 plus 50% tem- porary increase.

The saving for all allowances mentioned above will be Rs. 91.27 lakhs.

Entertainment Allowance.—Catering for the Chief Minister is done at present by the Amira. The sums expended on this account in the past have been very high. Owing to the Chief Minister's efforts, expenditure has recently been brought down to Rs. 4,000 a month. We have recommended that the Amira should be abolished, so that the present arrangements cannot continue. On account of the Hyderabad tradition, the Chief Minister, we are told, is expected to entertain on a lavish scale and to have a large number of guests. Members of the Government of India, Government of India officials and others, all expect to be put up by him when they visit Hyderabad. It seems to us quite clear that expenditure by Government on catering cannot continue. It would be desirable to give the Chief Minister a fixed allowance. Clearly, we cannot recommend anything like Rs. 3,000. The scale of entertainment must be cut down substantively and also the number of guests who come to stay. Most people who visit Hyderabad on official duty draw travelling and halting allowance, and there is no reason why they should not spend what they get rather than enjoy the Chief Minister's hospitality. On principle, a sum of

Rs. 1,200 a month seems to us reasonable for such entertainment as is absolutely obligatory upon the Chief Minister. For the rest, we have already suggested that the Lake View Guest House should be converted into a hotel, in addition to Greenlands. These two should be sufficient to provide ample accommodation for guests on payment.

CHAPTER IX

MISCELLANEOUS MEASURES OF ECONOMY

In this chapter we deal with several instances in which economy is possible without detriment to efficiency.

Ministers' Staff.—The Chief Minister and other Ministers in Hyderabad have considerably more staff than their coevals in Bombay, Madras or Madhya Pradesh. It cannot be that the work of the Ministers in this State is of so much more arduous or laborious a nature as to require a more numerous or more highly paid staff than in those Provinces. We think efficiency will not in any way be impaired if the staff is reduced to that allowed in Bombay. It will then be :

For Chief Minister :

- 1 Private Secretary—Gazetted.
- 1 Superintendent—Non-gazetted.
- 1 Personal Assistant do
- 1 Clerk-Typist.
- 1 Jamadar.
- 4 Peons.
- 1 Cycle Orderly.

For other Ministers :

- 1 Personal Assistant—Non-Gazetted, I Grade.
- 1 Stenographer. do do
- 1 Clerk.
- 1 Jamadar.
- 3 Peons.
- 1 Cycle Orderly.

The savings on this account will be Rs. 1,03,750.

Jagir Administrator's Office :—The jagirs having been amalgamated with the districts, the administration of those areas has been taken up by the Revenue Department. The method of payment of compensation for jagirs has

been decided, and we would suggest the Jagir Administrator's Office, which is as big as any Secretariat Department, should be wound up, the work of payment being handed over to a small branch of the Finance Department. The examination of accounts, for which establishment and contingencies assessed at Rs. 3,31,000 have been sanctioned up to the end of December 1950, will, we hope, be able to be completed by that time, and no ground will arise for giving any extension.

Special Tribunals.—An item that has already cost Rs. 12,40,000 and seems likely to cost a great deal more, is the trial of criminal cases by Special Tribunals. These cases arose from the disturbed conditions prior to 'Police Action.' Two have been finished; there are, however, several others pending. Where investigation discloses the commission of criminal offences, trials must obviously take place; but there would seem to be no reason why these cases should not be tried by an ordinary criminal court in the same way as any other criminal case. We would suggest that expenditure on them be minimised as far as possible. Special Prosecuting Counsel at Rs. 1,000 a day, and almost equally highly paid defence counsel, trial by 3 judges instead of one—all these would seem to be unnecessary.

Mansabs.—Cash grants of various kinds account for Rs. 26,31,000 in the 1950-51 Budget. This amount is made up as follows:—

	No.	Amount Rs.
Mansabs Maviza Jagir ..	374	1,15,000
Mansabs Imtiazzi ..	1016	2,77,000
Ordinary Mansabs ..	2436	7,34,000
Mahwarat Khas ..	1246	4,40,000
Yumia Julusi ..	15	Amount not shown separately but included in Major Head 18 (2) A.
Mahwarat Riyayati ..	207	61,000
Mahwarat Muthafarrik Kadim ..	769	83,000
Jagir Pensions ..	163	86,000
Mahwarat Walajahi ..	204	

	No.	Rs.
Maashes pertaining to Customs.		
Mukasa and Agrahars ..	57	10,380
Mamuls, Yumia & Salias ..	Not available	2,65,000
Rusooms ..	3704	5,59,000
		<hr/> 26,30,380 <hr/>

All these are, in effect today, Charitable Grants. It is extremely difficult, we are told, to discover how they originated. Many of them must have been in lieu of service, which probably ceased to be rendered quite a long time ago and the rest were never anything but gifts. There have clearly been additions in recent years, too, for the 1910 budget shows 21 lakhs under the head of Mansabs and Rusooms, and the 1930 budget also shows about the same amount. In our view, there is no justification for continuing these relics of feudalism. We would suggest that they should be stopped after three months' notice. If any of the grantees still performs some specific service or can claim continuance on the ground of having been given a cash grant in lieu of jagir land taken away, he will, no doubt, represent the facts and his case can be considered separately. The saving will be Rs. 26,30,380.

Contingencies.—The amount budgeted for Contingencies is Rs. 31,65,000. Of this, we do not propose any reduction in the amount of Rs. 7,21,000 allowed for lighting and electricity charges, livery of peons and telephone fees. For the other 5 items under this head, office stationery, service stamps, miscellaneous charges, repairs to furniture and purchase of office requisites, considering the lavish scales on which things are done in this State, we suggest a reduction of 10%. Care should be taken to see that the burden is not passed on only to minor offices and that the more important offices such as departments of the Secretariat, etc., bear their share or, perhaps, even more than their proportionate share, since primarily it is in regard to these that complaints of lavish expenditure are frequent. The resultant saving will be Rs. 2,44,400.

Industrial Adviser.—In the Industries Directorate, we find an officer known as Technical and Industrial Adviser.

His principal work, we are told, is to advise people who wish to set up concerns. He also inspects industries owned by Government or those in which Government has a large share. A highly paid appointment for these purposes seems to us to be superfluous. We find it difficult to believe that the advice offered by an officer of this kind is likely either to encourage or deter a person who has decided to put money in a scheme from doing so. He would, indeed, be a bad businessman who had not made a study of all the circumstances relating to any concern which he proposed to start and had to rely on a Government official for advice. The inspection of the industries owned by Government or in which Government owns large interests by this officer, does not seem to have produced any particularly beneficial effects. In all the circumstances, we think that this post can be dispensed with. The saving on this account will be Rs. 60,000.

Cottage Industries Sales Depot.—There is a Cottage Industries Sales Depot the expenditure on which in the budget for 1950-51 is shown as Rs. 60,340. The products of the various cottage industries of the State are sold through this Depot at $12\frac{1}{2}$ per cent. over cost. We are told that the loss to Government has been about Rs. 20,000 a year for the last two or three years, and that, for some years before that time, the Depot was self-supporting, although, when it first started, it ran at a loss. No proper balance-sheet seems to be made out from year after year. The amount received from sales is used for fresh purchases and is not shown in the budget. Proper procedure should be followed and every effort should be made to place this concern on a self-supporting basis.

Municipality and Public Improvement.—Considering the amount of money available for the City Improvement Board, a Superintending Engineer at the head of the department seems unnecessarily extravagant. An Executive Engineer would be quite enough. The City Improvement Board ought not to continue as a separate department. The most suitable amalgamation would be with the Public Works Department.

Public Gardens.—Considering the number of Public Gardens, a Superintendent on the grade below the present, with one Assistant, should suffice, instead of the present

highly paid Superintendent and two Assistants. The reduction of one post of Assistant results in a saving of Rs. 5,160.

We notice that there is a Superintendent in the grade of Rs. 200-375, for the maintenance of Jubilee Hall in the Public Gardens. This seems quite unnecessary. The Garden Superintendent is certainly not overburdened with work and he can quite easily look after this. The saving will be Rs. 3,948.

H.E.H.'s Peshi.—We notice that the head of this Department is termed Chief Secretary and gets a salary corresponding to that of Secretaries of departments. In the present circumstances, the duties and responsibilities of this post have been greatly reduced. The Secretary to the Governor in Provinces is often not even a permanent Collector. An Officer in the Taluqdar's grade should suffice.

Co-operative.—The Registrar, Co-operative Societies, is in most Provinces not of higher rank than a Collector, and there is no reason why in Hyderabad this should not be so. We suggest that the Registrar should be in the Taluqdar's grade and his Joint and Deputy Registrars should not draw salaries higher than those of Second Taluqdars.

Agriculture.—The Chief Marketing Officer is drawing pay on the Taluqdar's scale. This seems unnecessarily high and is, perhaps, because he is in independent charge. As in most Provinces, he should be put under the Director of Agriculture and allowed salary in the second grade.

Jails.—The Superintendents of Jails seem to us to be in a scale higher than the duties of their appointment justify. We would put them in the second grade and the Assistant Superintendents in the grade below that.

Secretariat.—We notice that there is a Special Financial Adviser for the Godavari Valley Scheme. The amount of work is not very large, and the Finance Department should be able to handle this work without having a separate officer. The savings on this account will be Rs. 45,142.

The Army Secretariat has been abolished and Rs. 1,88,875 under the budget are presumably saved. In the Labour Department, there is an officer on special

duty on a high salary. We are informed that there is no special work for this officer, and we think that this appointment need not be continued. This will result in a saving of Rs. 25,000.

Railway Labour Welfare Officer.—The expenditure on this appointment is presumably being borne by the Government of India and not by the Hyderabad Government. The saving will be Rs. 5,260.

Petrol Rationing.—Petrol rationing having been abolished in Hyderabad, the Petrol Rationing Board, the Area Petrol Rationing Offices, the Atrafi Balda Petrol Rationing Office and the Petrol Rationing in Secunderabad will no longer be needed and the expenditure on this head, Rs. 63,368, will be saved.

Textile Commissioner.—Considering the amount of work to be done, there would seem to be no need to have as Textile Commissioner a senior officer in the scale of 1,600-2,000. The Textile Commissioner should not, in our view, draw more pay than a Taluqdar.

Peons.—We have already had to comment on the large number of peons allowed to Ministers and Secretaries. We have had a computation made of the number of peons that would be necessary according to the scales in Bombay in all departments, except Excise, Customs, Education and Medical. We find that 1990 peons more are employed than would be necessary in Bombay. The adoption of the Bombay scale should not offer any difficulty. We understand that Tahsil Offices need a peon or two more because of the lack of communication facilities in some areas. We suggest that the Bombay scale be adopted with the addition of a peon per Tahsil Office. This will mean a saving of about 1,800 peons.

In the Customs and Excise Departments we find, that much of the work of peons is done by Jawans, and in the Education and Public Health Departments, by Farashes. The number of peons is small in these departments, but, if the number of Jawans and Farashes is added to that of peons, the scale is easily exceeded. Instead of disturbing the present arrangements, we suggest a cut of 10 per cent. in the Jawans for the first two departments and the Farashes for the other two.

There should in future be no Dafedars. Such posts should continue only so long as the present incumbents

remain in service. Future incumbents of Jamadars' posts should draw pay on the lower scale of 30-37½.

The saving from these proposals would be about Rs. 18.14 lakhs.

Rented Buildings.—Rs. 10,702 a month or Rs. 1,28,424 a year is being paid as rent for private buildings hired for Government offices in Hyderabad and Secunderabad alone. These buildings house 120 officers and 1,757 clerks. Allowing 100 square feet per officer and 12 square feet per clerk, the floor space required would be 33,184 square feet. The building for a reasonable office to house this number of occupants ought not even in these expensive days to cost more than five to six lakhs, allowing for corridors, passages, verandahs, etc. In other words, Government could have a building of its own for less than 5 times the annual rent. This would also mean that the 47 buildings now occupied in this manner would be available for use by the public—some contribution to the housing shortage—about which we have heard a good deal.

Grants to Individuals and Institutions.—A long list of grants to religious and charitable institutions in and out of India, to Idaras, Anjumans and Societies and to Individuals, mostly Unani, Ayurvedic and Homeopathic practitioners, totalling Rs. 11 lakhs, has been placed before us for consideration. We are of the view that there is no case for continuing these grants to all the individuals and almost all the institutions. We suggest that the case of those institutions in which an annual sum is paid in return for the admission of some pupils from the Hyderabad State should be considered by the appropriate departments. There, too, the amount paid should not be higher than is levied from other States. Such institutions are not likely to be more than 4 or 5, in the whole list. Most of the grants in this list, however worthy the objects of some of them may be, are not such as can be a legitimate charge on the revenues of a modern State, which needs all its resources for the development of elementary amenities for the bulk of its subjects.

CHAPTER X

THE REVENUE BUDGET OF THE FUTURE

It may be taken as an axiom of sound finance that, in the present inflationary context, the revenue budget of a State must be balanced. In fact, if possible, it should show a surplus. Clearly then, there must be an attempt to mobilise all resources possible and to curtail expenditure to the absolute minimum essential. The curtailment of expenditure has been dealt with in previous chapters. On the whole, it seems, increased income and reduced expenditure, as dealt with in the previous chapters, will show savings of about 360 lakhs. We must now attempt to make on the material available a forecast of the future trend in the principal items of revenue and expenditure. This of course is only a forecast. We do not profess to be able to prophesy, and it is not improbable that, in this age of violent fluctuations, our forecast may not be realised.

The budget estimates for the current year show that 2989.03 lakhs are expected to be received, and 3001.44 to be spent, leaving a deficit of 12.41 lakhs. If our proposals regarding retrenchment are carried through immediately, this deficit will be turned into a substantial surplus.

Land Revenue, which has been the mainstay of the budgets of many decades, has given up the first place, but remains the second most important item. Including Sarf-e-Khas and Jagir areas, it is estimated to produce 5.50 crores this year. Unless very exceptional circumstances make themselves apparent, it should not fall below this figure during the next five years. Considering the settlements that remain to be revised and the arrears that have to be collected, it should rise to at least 6.5 crores. From Forests, estimated to bring in a crore this year; not much more can unfortunately be expected. The development of forests is a long-term business and needs to be taken in hand seriously before any substantial return beyond that coming in at present can be expected. The income from Customs, which is estimated at 2.50 crores in the current year, has to be reduced to zero by the end

of 1953-54. However, a substantial surplus over this should be available from the Sales Tax, which is estimated to fetch a crore this year. It may not perhaps be too optimistic to hope that income from this source will develop to over 5 crores by the end of the quinquennium, more specially, if the rate is raised to the same level as in other States. Excise accounts for roughly one-third of the total receipts, being estimated to fetch 10.75 crores this year. There is no special reason to expect any deterioration in the income from this source, and we may take it that this figure is likely to be improved upon. Grants-in-aid from the Centre should also increase, if the suggestion made by us to the Hyderabad Government regarding representation about the financial integration arrangements bears fruit. All in all, it may be hoped that the receipts side will show an advance of about 4.5 crores over the present figure, unless some unexpected development, such as a sudden fall in agricultural prices, which, so far as one can see is not likely, supervenes. A great deal, of course, depends upon the policy of the Central Government, but, assuming a continuance of present trends, the receipts side of the Hyderabad budget ought not to be less than 34.50 crores at the end of the quinquennium, provided economic activity is maintained at about the present level and there is no sudden slump in prices.

We have suggested substantial reduction on the expenditure side. If our proposals are accepted, recurring expenditure will be reduced by about 3.60 crores. As against this, a new charge of 1.14 crores, compensation for jagirs, will have to be met, and there may be expenditure of about 36 lakhs on the reform of the patwari system. These will still leave two crores in hand of which, say, a crore could be spent to meet further expansion under Education and Public Health. Expenditure on other heads should be kept at the minimum. This, if revenue anticipations are fulfilled, will enable the building up of substantial surpluses that should help to relieve the difficult capital position which we shall be dealing with in the next chapter.

It will thus be seen, that the revenue position is comparatively easy, and, by prudent management can be made to yield rich dividends which can be used for the betterment of the people. A great deal, of course, depends upon wise judgment in the choice of policies

On no other single factor is the revenue position of the future so dependent as on the particular decision that may be taken on Provincial Excise. Prohibition will make all the difference between reasonable amplitude and extreme inadequacy, between a comfortable and a precarious budget, between the ability to finance, from revenue resources, a relatively large programme of nation-building activities, and the inability to accommodate within them anything but the bare and basic requirements of general administration and law and order. The policy to be pursued in respect of Provincial Excise is, accordingly a matter of great moment for the pattern of development and reorganisation with which we, as a committee, have been concerned in discharging the task entrusted to us. We, therefore, feel it incumbent to make a few observations on the policy of prohibition. These observations are specially called for in so far as it has been put to us by certain important witnesses that the pursuit of the ideological aims, and the adoption of the policy, of total prohibition is inescapable for the Hyderabad State, if only because two of the major States bordering it have already committed themselves to, and proceeded with, those aims and that policy. Imitation may be the best form of flattery but is not necessarily the wisest way of budgeting. For Hyderabad, as for every individual State in India, it is necessary to examine the problem afresh, and reach its own conclusions in the context of its particular financial position and the relevant considerations.

The policy of total prohibition is usually advocated on one or more of three distinguishable grounds : moral, social and economic. We shall deal with each of these separately ; but it is necessary to point out, at the outset, that no measure of reform, whether moral, social or economic, can, in regard to the desirability of launching it, be judged on its purely ideological content. For, the object of reform is not to subscribe to an ideal but to bring about certain results related to that ideal. Faith may be the heart of religion, but practicability is the essence of reform. The practicability of any big measure undertaken by the State depends, among other things, on the money that can be made available and the personnel that can be brought into action. When both these are limited, as is obviously the case with the Hyderabad State, the results cannot be those hoped for in the abstract. It is, therefore, in the light of the particular results likely

to be achieved, and not on the assumption of the complete success of the measure of reform, that policy must be examined, adopted and implemented. The Constitution of India, it will be noticed, while providing for the prohibition of intoxicating drinks as one of the various aims to be pursued by the State, advisedly says that the aim is one which the State shall "endeavour to bring about." The relative pace of the endeavour is necessarily a matter of priorities: the allocation of priorities having relation not merely to the specific items competing for accommodation within the resources of an individual State, but also to the other very important aims, the pursuit of which is laid down by the Constitution as a directive principle of State policy. Unlike, in the case of prohibition, a time-limit is prescribed by the Constitution in respect of some of these other aims, *e.g.*, a period of ten years for the provision of free and compulsory education for children. It seems to us, moreover, that the comprehensiveness of the aims set down by the Constitution and the individual importance of some of them is not always sufficiently realized. To cite only a few, the State is enjoined, as a present duty (and not as a matter of graduated endeavour), to make provision for securing just and humane conditions of work, and for maternity relief. The State is also to try to ensure a living wage and a decent standard of life for all workers, agricultural, industrial or otherwise. Measures are to be taken for protecting the scheduled castes and the scheduled tribes from social injustices and all forms of exploitation. Last but not least, among these examples, is the directive to bring about an improvement of public health and to raise the level of nutrition and the standard of living of the people of India. In the context, finally, of this multiplicity of aims, all of which cannot, for obvious reasons, be achieved together and within a short time, and, secondly, of the paucity of resources of the State of Hyderabad, the prospects of finding the men and money needed for the satisfactory enforcement of a programme of prohibition, assuming that one is adopted in the near future, must be adjudged to be very poor indeed. In other words, enforcement of the requisite standard is not a practicable proposition. Without proper enforcement, the reform remains for the most part on paper. Ideology is subscribed to; prohibition drains the State of revenue, while illicit distillation drains the people of both money and morale. It is against these practical effects, which we apprehend, that evaluation

has to be attempted of the moral, social and economic content of the proposed measure of reform.

About the relative or inherent value to be attached to a particular item of morality, in this case abstinence from liquor, we do not propose to dilate. For the purposes of this report, and in the light of the Constitution which India has adopted, we shall argue on the basis that the moral value of prohibition is not in question. But a programme of moral reform to which the State is ultimately committed, may itself be susceptible, as in this case, of being divided into different sections in the logical sense, and of different stages in the chronological sense. It seems to us that that type of immorality which affects the well-being, not merely of the immoral person, but also of those around him and of the public in general, must take precedence in the programme of the State. In other words, drunkenness which results in a public brawl must obviously be prevented or punished, and so must the drunken behaviour of the head of a family who beats his wife and children. The State must, of course, try to secure these objects as effectively as it can. Between an object of this kind and that of attempting presently to impose, by legislation, an ultimate form of morality—like that of non-participation in drink—on an unprepared public, there seems to us to be an important difference. The difference is one of priorities. As an object of State action, ultimate morality can only have ultimate priority.

The social aspect of prohibition may be examined in relation to the most important unit of society, *viz.*, the family. Drink has undoubtedly been responsible, on occasion, to the loosening of family ties among the well-to-do and to physical tyranny over wife and children among the poor. But, in this country generally and in the State of Hyderabad at any rate, the percentage of such cases to the total number of families unaffected by drink is, to the best of our belief, negligible. To endeavour to eliminate the social harm done by drink, even in the relatively few cases to which it is confined, is undoubtedly a very desirable aim, but it cannot be placed even remotely as high as certain other social ends which also call for money and effort, such as the elimination of the social injustice done to the scheduled castes and scheduled tribes, or the rectification of the social inequalities imposed on women, or the amelioration of the social conditions and education of backward, neglected or exploited children. In the

social sense, too, prohibition is not a reform which can be assigned any high priority.

The economic argument is the crux of the case for prohibition. Briefly, the contention is that the State taxes the poor by tempting them to drink; that the withdrawal of drink will, therefore, automatically enrich the poor and increase their standard of living; and that such enrichment and improvement will in various ways be of great economic benefit to the State as a whole. It may, in the first place, be noticed that this argument does not, and validly cannot, concern itself with the rich, since such of these as drink, cannot be said to be doing any economic harm to themselves or any considerable economic injury to the community at large, though their act may be considered immoral. In any case, their number is small. As regards the poor, there is undoubtedly a certain amount of validity in the economic argument; but, here again, the validity is directly proportionate to the actual enforceability of the programme of prohibition. If, by and large, the effect of prohibition is to divert custom from the quondam Government shop to the clandestine one provided by the illicit distiller, and, therefore, to make the poor man pay more money for worse drink, Government merely loses its revenue without any corresponding gain to the income of the poor. Nor is there any reason to feel confident that, in those cases where prohibition has actually resulted in abstinence, the income thus saved is largely utilized for purposes which can be regarded as of economic value to the community at large. Along with drink, have to be eliminated a number of other equally or more pernicious objects of expenditure which are attractive to the common man, before results of enduring value, in the economic sense, can be expected to be realized. These, then, are some of the very substantive qualifications which detract from the force of the economic argument.

As we have already indicated, it is reality and not ideology that must earn priority for a measure of reform. On this fundamental basis, and from whatever angle viewed—moral, social, or economic—it seems to us that total prohibition cannot, at the present time or in the near future, be accorded anything like such high priority as can justify the loss of a third of the State's revenue, together with the further loss involved in the outlay on enforcement.

CHAPTER XI

CAPITAL BUDGET AND PRIORITIES

When we come to consider the Capital Budget, we face a much darker picture than in the last chapter. The resources of the State have been greatly depleted and the demand on them for worthwhile projects is considerably larger than can be met. Available resources, moreover, are in forms which do not permit them to be used readily. Thus, the amount of 35 crores in the Post-War Development Reserve was built up to provide finance for capital expenditure. Had all this 35 crores been kept in liquid form, or in easily realisable investments, it would certainly have sufficed to meet Hyderabad's capital needs for some time. Unfortunately, 6 crores are invested in industrial and other shares, for many of which there is no market at all at present, 6 crores are advanced to local industries, which too there seems very little possibility of getting back at the present time, if at all; 8.49 crores have been loaned to the Hyderabad Co-operative Commercial Corporation, which has used them for holding stocks of foodgrain; and 15.30 crores are in Government of India Securities, of which 6.82 have had to be sold recently to meet ways and means advances taken from the Reserve Bank. All, therefore, that is left with the Hyderabad Government is 8.48 crores of Indian Government Securities and the amount of the cash balance. This, at the beginning of the budget year, was nominally 9.73 crores, but only 7.44 crores was available, the rest being in banks in London and the subject of litigation. The total realizable reserves of the Hyderabad Government, therefore, consist of 8.44 crores Indian Government Securities and such part of the 7.44 crores cash balance as can be safely diverted for investment purposes. Capital requirements during the year itself amount to about 10 crores, for, though the budget shows only 8 crores for capital expenditure, there is a loan to an industry of 2 crores which also has in reality to come from capital. If the Reserve Bank can be induced to sell some of these securities, that will have to be done. In effect, therefore, the Hyderabad Government has very little ready

money for capital development. Including this year, it can spend 15.92 crores. Assuming that it spends during the year the 10 crores budgeted to be spent, the total amount, cash balance plus securities, will be only 5.92 crores. It has, of course, to be remembered, that the sale of large quantities of securities by a State Government at one time is not regarded with particular favour by the Government of India or the Reserve Bank, as it tends to depress security prices. Clearly, then, the capital position is extremely difficult and there will have to be established priorities of expenditure.

Before examining that, however, we may consider the possibility of unlocking some of the funds mentioned above as being unencashable at present. Banks may perhaps be willing to lend money to the Hyderabad Co-operative Commercial Corporation on the security of the stocks held by it just as they would to private parties. This might enable some portion of the 8.49 crores locked up with that body to be released. The practicability of this suggestion might be investigated. It might also be possible to sell a few of the industrial scripts held. There is not much hope of getting anything substantial, however, from this source. Another way of obtaining money for capital development would be by borrowing. Neither the Government of India nor the State Governments have been particularly successful in borrowing in recent years, and there does not seem to be much hope of large public subscription to loans of the State of Hyderabad until at least its finances have been placed on a really stable basis, which can only be, as pointed out in the last chapter, by mobilising all its resources, reducing its expenditure and avoiding entanglement in imprudent schemes. Hyderabad has been fortunate in having within its territory a single individual from whom it has been able to borrow 18 crores in the course of the last year. It may well be that the same source may be able to provide some funds for development purposes. However, it would not be wise to count upon such circumstances, and we would urge that priorities be fixed regarding the objects of capital expenditure, so that, whatever money is available, can be spent on the most urgent works.

On this basis, it would seem that the utmost the Hyderabad Government can hope to do in the next few years is the completion of the Tungabhadra Scheme, estimated to cost 26 crores, about 7 crores of which will

have been spent by the end of this year, and that part of the Godavari Valley Scheme now in hand, estimated to cost 9.28 crores, of which 1.27 crores will have been spent by the end of this year. These two alone will cost a further 26 crores to completion, which means an expenditure of about $5\frac{1}{4}$ crores a year for the next 5 years. Those in charge of the finances of the State must devote all their energy to obtaining the necessary amount to meet this. If the revenue surpluses mentioned in the last chapter materialise, this may not be as difficult as it would be otherwise. We have also made certain suggestions for the sale of buildings owned by the Government outside the State. All other capital expenditure must obviously be deferred, essential items covering small amounts being met from revenue. Even if some portion of the locked funds can be released, several years of austerity in capital expenditure are inevitable, and the sooner that fact is realized by all concerned, the better. There is no room for throwing away money on loans to industries, which may or may not be successful, or for other similar relatively unimportant expenditure.

CHAPTER XII

THE STATE AND INDUSTRIES

The Hyderabad Government has either directly or through its instrument, the Industrial Trust Fund, invested about 12.5 crores in industries, about 10 crores in shares and 2.5 crores as loans. Further advances of 2.5 crores are budgeted for in 1950-51. Investments in I.G. rupees amount only to 1.95 crores, of which about 80 lakhs are outside the State. The bulk of the investments and loans have been made during and after the war years, in the hope of developing industries, and quite a number show the signs of haste, lack of consideration and undue optimism. The Industrial Trust Fund is, in reality, a department of Government, with a Minister as Chairman, two other Ministers as Members, and the Secretary, Commerce and Industries, as Secretary. It has been used by Government as a convenient instrument for holding managing agencies. It held three before the war, those of the Azamjahi and Osmanshahi Mills and the Nizam Sugar Factory. During 1948 and 1949, it has taken over five others, Praga Tools Corporation, Singareni Collieries, Sirpur Paper Mills, Sirsilk and Taj Glass Works. These were taken over as a result of investigations held after the establishment of the new regime. Government manages these industries through the Industrial Trust Fund. The method adopted by the Fund for the actual working of some of these is to have an operative director in Hyderabad at the Head Office of the firm with a general manager at the local headquarters. For each of the concerns there seems to be a Sub-Committee of the Fund. Proposals go from the General Manager to the Operative Director, and from him to the Sub-Committee, which meets about once a month. The Sub-Committee puts such of them as involve provision of funds by Government or important appointments to the Industrial Trust Fund Trustees, who meet about once every two months. If the Trustees approve the proposal, it then goes to the Commerce and Industries Department, from that to the Finance Department and finally to the Finance Member. For others, Government being the managing agents, appoint another

firm as their representatives, who then perform all the functions of the managing agents.

The present position is, that only very few of the large number of concerns in which Government has invested, or to which Government has loaned money, give satisfactory results. For some, there does not seem to be much hope of any improvement. For others, there is some hope if the management is greatly improved. We cannot obviously go into individual cases in a public report of this nature. We understand, Government has itself had all these industries investigated, though it would seem that, in regard to some of them, action which ought to have been taken, for instance, reference to the police, has not been done. We would lay down certain rules which, we think, ought to be followed for the future. Government's financial position will not permit of throwing away good money after bad. There should be no attempt to continue investments in the hope that somehow, in some way, perhaps, things will become better, and the concern will right itself and start paying. When it is clear that there is no reasonable likelihood of success, the best thing to do is to withdraw and save whatever can be saved from the wreck. Sell it off or wind it up, we would say, so as to save time, energy and the likelihood of future expenditure. We have separately addressed Government at length regarding a specially important instance which came to our notice, in which persistence is likely to involve very substantial losses indeed. Government's financial position being what it is and the need for investment in irrigation projects being likely to take up even more than all the funds it can find, there should be no investment in new industries. In view of the need for capital, Government should attempt to liquidate its investments as soon as possible from all the minor concerns, even if they are good. From others, except the Collieries, the Sugar, the Cotton Mills and the Paper Mills, it should withdraw gradually without causing undue dislocation.

To attempt to run an industry as a Government Department is, in our opinion, to court failure. That flexibility and quick decision, which is necessary for success in business, is bound to be lacking in an ordinary Government department. For the industries which the Government propose to continue to handle, we would suggest that, instead of the Industrial Trust Fund method, a small Public Corporation be formed with a good Manag-

ing Director. Having been allotted certain funds, this Corporation should be permitted to do its work without interference from Government in its day-to-day administration. It should, of course, submit its budget to Government for examination. The members of the Board should be of such calibre and integrity as to be able to assist in the efficient and honest running of the business. The Board should not consist of more than six people, of whom not more than two should be Government officials. The great advantage of a Board like this would be that it would understand the running of a business. For instance, high salaries have to be paid to competent men in a business. If you want the best, you must pay for it. When the giving of appointments in a business is done by persons trained to look at salaries from the Government point of view, it may be taken for certain that the best men will hardly ever be employed. On the other hand, the Governmental mind is apt to think that a business is also like a Government department in which an officer can be shifted from one branch to another and do his work equally well. Consequently, there are cases like the appointment of one, neither a rayon nor a textile expert but knowing about paper, to take on the building of a rayon factory. Again, a good businessman will not hesitate to spend a sum which may seem large, if thereby it is certain that he will get good returns in future. The departmental mind, however, jibs at such expenditure. A case in point which came to our notice was the refusal to accept a proposal of a firm of efficiency experts to continue supervision over a particular work, at a cost which would be several times more than reimbursed by the saving they would be able to effect, if they were allowed to continue to work. The interest of Government itself demands that the present system should be changed forthwith in favour of a Public Corporation.

Two other Governmental activities which partake of the nature of business are the Deccan Airways and the Road Transport Department. The Deccan Airways is practically the Government of Hyderabad's airline. It has been losing money heavily, since the beginning of 1949, owing to competition from the night air mail scheme which takes away many passengers who would normally travel by its services. Clearly, the Government of Hyderabad cannot go on making good large losses year after year. We do not know what recommendation the recent

Air Enquiry Committee has made on the subject. The reasonable thing, it seems to us, would be for the Government of India to take over the airline as a running concern, reimburse the Government of Hyderabad for the expenditure incurred and operate it as the first nationalised airways in the country. The efficiency of its services is admitted.

The Road Transport Department is another large business. It has a monopoly, and its management up to now has been combined with the State Railway. The Railway Department has, we understand, offered to continue to manage it on very nominal remuneration. In view of the past close connection between the two and the efficient management at present, we have no hesitation in suggesting that the present arrangement should be allowed to continue. Care should, however, be taken to keep watch on the development of road transport, so that it is not neglected in the interest of railways or otherwise. The profits from road transport must also show a significant rise with increased development.

In this connection, it seems to us that it would be a great advantage if there were a joint body of officials and non-officials charged with the duty of overseeing the development of all transport in the State. We would suggest the formation of a Transport Board of which the Minister in charge of Finance should be Chairman, and the Minister, Public Works Department, the Secretary, Public Works Department, the Chief Engineer, Communications, the General Manager of the Road Transport Department, the General Manager of the Railways, one representative of each District Board and two of the urban Municipalities of Hyderabad and Secunderabad, should be members. The function of this Board would be to see that communications are developed to the maximum throughout the State in the interests of the rural public, quite as much as the city dwellers.

CHAPTER XIII

OTHER IMPORTANT MATTERS —FINANCIAL

Federal Financial Integration.—It has been put forcibly to us that the sum of 114 lakhs allowed to the State, in addition to the Privy Purse of 50 lakhs, as the difference between the receipts and expenditure of Central subjects formerly administered by the State, is very inadequate. We have, accordingly, been constrained to endeavour to find out how exactly this figure is reached. The Finance Department has furnished to us two statements which show that, on the revenue side, the average of the actual figures for the year 1357 F. and 1358 F., has been taken, and, on the expenditure side, the actuals of 1358 F. This has been adopted as the “basic period” in the case of Hyderabad. The Indian States Finances Enquiry Committee report lays down that the basic period for revenue should be three completed financial years (actually two have been taken), the reason being “individual items of revenue are liable to fluctuate in either direction ; and a three-year average for revenues, wherever reliable accounts are available, is thus fully justified.” For expenditure, the last year is taken, the reason being “in the case of expenditure, however, having regard to the trend in recent years, the level is hardly likely to go below that reached in the latest years ; we have accordingly adopted that year as the basis for our purposes” (Page 3, Indian States Finances Enquiry Committee Report, Part II). The agreement between the Government of India and the Rajpramukh of Hyderabad in this matter was executed on the 25th February, 1950.

Now it seems to us that the calculations as regards both the revenue and the expenditure lead to unduly unfavourable results for the State. The whole idea of taking an average of three years was presumably to obtain a representative figure, but the years selected are, for Hyderabad, the most unrepresentative that could have been. It is not often in the history of a State that one comes across a period of determined antagonism

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towards a neighbour whose territories surround it completely, a communalist movement accompanied by outrages, making ordinary life impossible, preparations for war, economic blockade, the marching in of Indian troops and the establishment of Military Government. To base upon the figures for such years a financial settlement that is to last a considerable time and fundamentally affect the finances of the State, would not seem to be reasonable, unless, of course, sufficient corrective was adopted when it was clear that certain figures were not representative. We do not propose to go into the whole matter in detail and shall confine ourselves to only three examples; two for revenue and one for expenditure.

On the revenue side, the figure taken for railway receipts is the average of 154.74 for 1357 F. and 88.23 for 1358 F. This 88.23 seems to be the result of the exceptional circumstances which affected railway traffic very seriously from the time of the entrance of the Indian troops into Hyderabad. It needs correction. The income-tax figure is the average of 45 for 1357 F. and 160 for 1358 F. (The actual figure for 1358 F. is 178 and not 160). Income-tax was introduced in Hyderabad in the second six months of 1357 F. The machinery for collection had still to gather momentum. The figure of 45 cannot be regarded as representative. It is wrong arithmetically. If the receipts for 18 months are taken and divided, the average obtained is for 9 months and not for 12 months. Again, the disturbed conditions of this period caused receipts to be less than they should have been. We understand that the collections of the current year are very likely to go beyond the 178 of 1358 F., the figure for the first half-year being 103 lakhs. Here again correction is necessary. On these two income items alone, there would seem room for enhancement.

The military expenditure on sanctioned I.S.F. units has been taken at 2 crores. In other words, it is presumed that the Government of India will have to bear a burden of 2 crores for the units it takes over. During the war years, 1943-44, 1944-45, 1945-46, military expenditure on regular units in Hyderabad varied from 80 to 120 lakhs. The advent of the possibility of independence caused it to be pushed up in the two years that followed. Apart from this, however, since the Government of India are taking credit to the extent of 2 crores for the expenditure they will have to incur on Hyderabad I.S.F.,

units, it is worthwhile considering what this is. It is understood that the total strength of the I.S.F. Units being taken over by the Government of India is only about 5,400 men. The expenditure on this, we understand, cannot be more than 80 lakhs. Consequently, the State would seem to have a claim to have the amount between the proper expenditure and 2 crores taken into account in its favour.

On the basis of these three items alone, the subvention ought to be substantially increased. The Government of India need not be apprehensive about any change which they may make in the case of Hyderabad being quoted as a precedent for alteration of the terms of the agreement entered into with other States. That argument can be easily resisted. No other State has passed through the extraordinary vicissitudes that have been the lot of Hyderabad during the years selected as representative. We recommend that the Hyderabad Government take this matter up strongly with the Government of India.

Land Revenue Arrears.—While it is true that conditions have been exceptional in the last two years, yet, it seems to us somewhat extraordinary that arrears of land revenue should have been allowed to accumulate to the extent of 4 crores. We are told that a great deal of this amount is for the years prior to 1946, and that some of it, although shown in the list, has really been remitted. We are also told that, in some villages, the records are so badly kept that they do not disclose from whom the particular arrears are due. Even of the current year's revenue, only 50 per cent. has been collected, although the collection season has passed. Presumably, this is partly due to the patwari's desire to show some collections against previous years' arrears also. All in all, the whole position is most unsatisfactory, and we would invite the Chief Minister's and the Revenue Minister's special attention to this matter and suggest that they personally examine the details of each district and come to definite conclusions quickly. Great benefit would accrue to the State's finances by the collection of a substantial part of these arrears. Their continued existence during a period of high agricultural prices discloses a laxity in revenue administration which reflect discredit on all concerned.

Deposits in Foreign Banks.—Another matter in which, too, large sums of State money are involved is that of the amounts deposited by the previous regime in banks in England and Pakistan. These come to over 5 crores. We understand legal proceedings have been taken to obtain the English deposits, but are unable to get any information in Hyderabad as to the progress of the proceedings; nor is any fuller information available about the 2.75 crores in Pakistan and the steps taken to attempt to recover them. We trust Government in the Finance Department has not completely lost sight of these matters, and would suggest that the present position be ascertained immediately and such further measures taken as may be necessary. A monthly progress report might be obtained and put up to the Chief Minister.

Local Cess.—We have referred above to the prevalence of high agricultural prices over the last few years. One consequence of this ought to have been larger funds at the disposal of local bodies for the provision of amenities in rural areas. That, however, has not happened, since local cess is calculated as a percentage of land revenue and land revenue has remained static throughout the period. Additional funds for this purpose can be obtained by raising the percentage that local cess forms of land revenue. In Bombay, for instance, it is 3/16ths. In Hyderabad, it is only 1/16th. We do not think that it will be any hardship to raise the Hyderabad cess to 2/16ths, and we would recommend that the larger part of the money so obtained be spent on the spread of primary education.

Weakness of Financial Control.—We have noticed with consternation the weakness of the financial control over expenditure. We are told that no attempt is made to compare regularly expenditure incurred with the grant at the disposal of the spending officer, and that, in consequence, there are many cases of overspending. We also find considerable laxity in the matter of payments. It does not seem necessary, for instance, to prepare bills before payment is made to members of committees, etc. Again, in regard to many schemes, much more is sanctioned than is spent, and, sometimes, staff is engaged months before the work is actually started. We have also come across an example of a lumpsum put into the budget for expenditure on new items which still have to be thought of. All in all, there is no doubt

that independent scrutiny is most desirable. Although the Legislature is not functioning at the moment, we suggest that a strong standing Finance Committee be nominated so as to enable scrutiny to be maintained in future. Care should be taken to see that the members of the Committee are really independent and knowledgeable people.

Change over to Indian Currency.—With financial integration, currency has become a Central subject. The Hali Sicca still remains legal tender in Hyderabad. Nor is any term set for its withdrawal. Moreover, all Government payments are made in it and all Government accounts are kept in it, although, side by side, the Indian rupee circulates freely in the State. Assimilation of the Hali Sicca rupee with the Indian rupee was an ideal of Salar Jung's who thought it "a very desirable measure on account of the facility it will give to accounts and mercantile transactions." We do not consider the present practice satisfactory and suggest that it come to an end with the financial year. From 1st April 1951, Indian Government currency alone should be used. As a preliminary to this, all Government payments, from November onwards, might be made in Indian Currency, calculated at Government rate of exchange.

Anxiety is sometimes expressed that, prior to the change coming into effect, rumours will be spread in the rural areas with a view to inducing the peasant to part with his Hali currency at much below its exchange value. We understand there is a branch of the State Bank or a Treasury in every district headquarters, so that there will be no difficulty in exchanging Hali currency. Immediate steps should be taken to notify widely the date of the change over and to inform people, that between now and the 1st April, special arrangements will be made at all Banks' branches and Treasuries to give Indian currency for Hali at the proper exchange rate. In many districts, we understand, the cultivator does, in fact, prefer to receive payments in Indian currency and, provided proper publicity is given, there should be no room for the coming true of the apprehensions expressed.

Another objection sometimes raised to the unification of the currencies is, that it will make more expensive life for the salaried classes, because, in small sales for

domestic purposes, the seller will insist on demanding the same amount in Indian currency as he gets in Hali at present. Rents in Hyderabad and Secunderabad, too, will, it is felt, be similarly affected, as landlords will demand from their tenants the same amount as is fixed now in Hali. There is probably some validity in these apprehensions. But an important change with beneficial long-term results cannot be allowed to be held up on this account. Government should widely publicise that it will regard as profiteers all those, specially landlords, who attempt to take advantage of the change-over in the value of the rupee, and will not hesitate to take action against them under the Rent control and other laws that, combined with the Consumer's refusal to pay in Indian currency more than an amount equivalent to what he pays now in Hali, should help to remedy the situation.

Revision of Settlements.—It has come to our notice that, for 37 taluqas, the period of guarantee of the existing settlement is over. In some cases, the settlement expired as long ago as 15 years. But revision has not yet taken place. In other words, Government revenue has had no chance to benefit from the rise in prices and the increased value of lands. The reason for this, we are told, is that the Settlement staff was engaged in other work and was not allowed to be expanded sufficiently to undertake this work as it fell due. This, in our opinion, is a deplorable state of affairs. Settlements should not be allowed to fall into arrears in this manner and necessary staff should certainly be sanctioned to enable the work to be done in good time. We have been told that there is a proposal under consideration to increase, without undertaking a revision the assessment by 25% in taluqas, the Settlement of which has expired. We do not know if this can legally be done. If it can, it certainly should be, in cases where the assessment was originally based on low prices.

Pensions.—We have been considering the question of pensions. Recently, the Government of India have issued new pension rules which permit, among other things, the grant of a gratuity to dependents when a Government servant dies after 5 years' service. We have had these rules examined by the Insurance Department. In their view, they are on the whole beneficial to the Government servant and also to the State, if compassionate

pensions which have been the normal rule here, are in future not given. These rules lay down a limit for the maximum pension, O.S. 7,875, against the present 12,000 per annum. Considering all the circumstances, we are of the view that, since the new rules are not likely to cost Government more, it would be best to adopt them forthwith, option being given to present Government servants to decide whether they will continue under the old rules or accept the new ones. This option should be exercised within 3 months, those who do not notify their wishes having been taken to decide in favour of the new rules. At the same time, orders may be issued that in future there will be no grant of compassionate allowance. This will mean that, when the list of the present compassionate allowance-drawers is exhausted, there will be no further expenditure. Present annual payments under this head come to about eleven lakhs.

There has been pending in the archives of the Insurance office a scheme for compulsory family insurance on a self-sufficient basis depending on a payment of a percentage of a Government employee's salary. This seems to us to be worth while, and we would recommend that Government investigate it forthwith. The two lakhs which the Government is now paying as contribution for the family insurance of inferior servants at one rupee per man per month does not provide adequate benefits and if the family insurance scheme is brought in, this amount of two lakhs is likely to be saved.

Budget.—We learn that the form in which the Budget is presented is being modified in order to bring it into line with the rest of India. This is, no doubt, desirable. At the same time, the Hyderabad Budget contains a mass of information which is useful to the ordinary citizen who wishes to know the actual facts about any particular expenditure, and we trust, that, in combining Sub-Heads or leaving out Appendices, the valuable information contained at present will not be omitted.

CHAPTER XIV

OTHER IMPORTANT MATTERS—GENERAL

Hyderabad Commercial Corporation.—There have been many complaints about the large expenditure incurred by the Hyderabad Co-operative Commercial Corporation and the lack of control over it by any responsible authority. This Corporation is nominally a co-operative society to which Government has entrusted the task of holding all the grain that Government obtains either from within or without the State and distributing it according to Government's orders. It is, in effect, the whole-saler, godown-keeper and transporter of all Government stocks. Its finance is furnished entirely by Government and is of the order of 9 crores at present. Nearly one-third of the post-war development reserve is invested with it in the form of loans on which it pays 3 per cent interest. The financial results of the working of this Corporation show a loss of 198 lakhs in 1947-48 and about 150 lakhs in 1948-49. This is largely due to the prices fixed by Government for sale but also partly to its high incidental charges. In former years, the Hyderabad Commercial Corporation had a monopoly to deal in uncontrolled commodities for export purposes. It then made profits of about 92 lakhs in about 3 years.

The work of this Corporation is, in other States, where monopoly procurement is undertaken by Government and Government has taken upon itself the responsibility for obtaining grain from outside and distributing it to its people, done entirely by the Supply Department. The Corporation has as its Managing Director a Government servant. Many of its other officers are also Government servants. So far as we have been able to discover, no public purpose is served by handing over this work to the Corporation instead of by Government doing it directly. It is not even as if being a Corporation meant efficiency in direction, since the Board of Directors meets very rarely and in any case 10 out of the 16 are Government officials. On the whole, there can be no doubt that the performance of this work by the Corporation is a distinct disservice to the public. A glance at the long list of

staff is enough to show that the public has to pay unnecessarily for work which could clearly be done in less costly manner were it under direct Government control, both at headquarters and in the districts. The economic disadvantage is not the only one from which the public suffers by this arrangement. Worse is the rigidity which this arrangement imparts to the food organisation. Since the body responsible for storage and transport is outside Government, the officers who have to administer food in the districts, to whom all complaints come and on whom people urge their grievances, have neither sufficient knowledge of, nor sufficient authority over stocks, etc., to be able to move them around quickly to meet an emergency. The whole system has to work on a quota basis rather than on the assurance of minimum ration depending on the supply position. For instance, even if off-takes go up, and stocks are exhausted, fresh supplies cannot be brought in quickly.

Another unfavourable result of the present system is the bifurcation of responsibility in what is essentially a single function. The Corporation has no interest in what happens outside its godowns, the general supply position or the actual distribution. The responsibility for seeing that the people are actually fed is on the district officers who have no authority over the stocks beyond the quota communicated to them from month to month. Further, the Corporation does not do any real procurement. It waits for the grain to be brought to its godowns through the efforts of the revenue establishment on whom falls the unpopularity and hard work of getting the grain. We are certain that the revenue authorities would be able, without undue difficulty or strain, to manage the work done now by the Hyderabad Commercial Corporation, nor should the headquarters work present any special difficulty to the Supply Department of the Secretariat. The total amount of grain handled is comparatively small, about 2.50 lakh tons, 1.75 lakh tons from local procurement and 60 thousand tons imported from outside. This is one lakh tons less than needed by the single city of Bombay. In terms of the actual distribution of grain, nearly 1.5 lakh tons out of 2 lakhs are distributed in the single rationed areas of Hyderabad and Secunderabad, so that the balance left for storing in the districts is extremely small in any event. Whatever the necessity for this Corporation may have been in the spacious days of

old, when possibly dealing in grain was considered below the dignity of the lordly Taluqdar, no excuse is possible for the continuance of this bureaucratic organisation today, the officers of which are responsible neither to Government as represented by its local officers nor to the public.

It is sometimes said that this being a co-operative organisation, there are legal difficulties in the way of ending it. Whatever the legal difficulties, in the public interest, they ought to be swept away. But it may not even be necessary to end the Corporation. All that may be necessary is to take away the right of dealing in grain of which the Government has monopoly. In any case, this important reform should be carried out forthwith. Physical verification of the stocks in the godowns is most essential when Government takes over charge. There is very little doubt that, after Government has taken over charge, it will be possible to effect substantial reduction in the expenditure, and the administration of food will be placed on a rational and popular basis.

Rural Development Board.—In most States, there is a Rural Development Board, which is attended by all heads of departments and Secretaries to Government connected with Rural Development and by prominent non-officials interested in rural development work. Such a Board meets at least once a quarter and discusses in detail specific problems of rural development, so that interest is kept alive in the subject all the time and co-ordination achieved among all workers in the same field, and these meetings give an opportunity for full discussion of new schemes by those who are in a position to appreciate their implications and to advise on them. Planning thus becomes an important function of this Board. It is in a position to assess the progress of schemes which have been planned and which are in process of execution. One advantage from this is that, if anything is going wrong with a particular scheme, the defect can be brought to light at an early stage.

We would recommend the formation of such a Board. It should not be too large. The Minister in charge of Rural Reconstruction should be the Chairman, and the Secretary of the Rural Reconstruction and Revenue Departments, a member and the Secretary. The other members should be the heads of the departments of Agriculture, Co-operation, Veterinary, Forests, Public

Health, Education, Economics and Statistics, the officer in charge of Cottage Industries and one representative, who is a practising agriculturist, from each district.

Assistance to Retrenched and Displaced Persons.—If our proposals are accepted, a number of people will have to leave Government service. The first opportunity for re-employment should obviously go to these people if they are otherwise suitable. A list of suitable persons should be kept in each department for consideration when a vacancy occurs or for appointment in any new department that may be formed. We have been informed that there are tracts of land in this State suitable for cultivation still available. Such Government servants as have been five years or more in service, whether temporary or permanent, who are compelled to leave because of no fault of their own, should receive first consideration for the grant of such land. Suitable areas, 10 to 20 acres, should be allotted to each man who is willing to work on it. Reasonable taccavi should also be advanced to enable him to start work. The land should be on non-transferable tenure, the intention being that he should earn his livelihood from it and not sell it in order to get a lumpsum down. In the last two years, a large number of men have had to give up Government employment, civil and military. Some of the increased crime is said to be due to the activities of desperate, displaced men who have no other way of earning their livelihood. Suitable individuals from among them, too, should be considered for the grant of land. Government, obviously, cannot sell the land today, otherwise it would not be available. Clearly, it is to Government's advantage to get the land cultivated, and if, in an attempt to do so, it can also help its own ex-servants, that is an added advantage.

Payment on Tours.—While there can be no doubt as to the value of effective touring by all officers, it has to be recognised that, unless special care is taken, touring can become a source of considerable vexation and difficulty to the people in whose interests it is supposed to be done. The expenses of officers' camps and the devious ways in which they have been made up, have often, in the past, caused demoralisation and corruption, and we would emphasise the necessity of seeing that orders regarding payments for all supplies received are carried out fully and completely by all public servants on tour. Ministers should be the first to set an example in this

matter. We are told that, in the past, on occasion their visits to the headquarters of a district have thrown a considerable additional burden on the Taluqdar, as they sometimes travel without making their own arrangements and rely on the Taluqdar to provide all supplies. The practice of touring without payment needs firm checking at all levels, and we trust Government will make offenders realize that it will not do to disobey its orders on this point. Honest service can hardly be expected from subordinates if they are called upon to spend large sums for the entertainment of their superiors on tour. In such cases, they have no recourse but to fall back on assistance from the rich or levy contribution on the poor. The rich man will not pay unless he gets some return, and the poor, except under duress.

A particularly vicious practice is that of making the village Balutedar carry a Government servant's luggage without payment from one camp to another on the ground that he is supposed to do this work. Government has passed specific orders forbidding this and other Begar, but we understand the practice still continues. We would invite Government's special attention to this, in the hope that they will investigate this matter and mete out severe punishment to those who refuse to follow the orders.

Office Hours and Canteens.—Office hours throughout the State are, we understand, from 10 a.m. to 4 p.m., without any recess, on five days a week, and 10 a.m. to 5 p.m. on Friday, with a recess from 12.30 to 2 p.m. Six hours without a break is bound to be tiring, if the time is really devoted to work. We are told an unofficial recess is in any case taken by most Government servants. On the whole, it would be better if office hours were from 10 a.m. to 5 p.m. every day, with an hour's break from 1 to 2 p.m. This would not mean an increase in the number of working hours, but it would give time for recuperation before turning to the afternoon's work and would also enable lunch to be eaten in the comparative leisure very necessary for proper digestion.

In this connection, we would suggest that Government should take a lead in establishing canteens for offices having a staff of 50 and over. For the Secretariat, there could be a model canteen which would serve a good afternoon meal. The standard of nutrition of clerks in Hyder-

abad is, we understand, none too good. A good hot meal in the middle of the day should produce results in the form of added energy for Government work. A cost of about 6 to 8 annas would not be unreasonable, and, we think, that, if Government provides initial equipment, it should be possible to meet running charges from the amounts recovered in the canteen. The institution will thus be self-supporting.

CHAPTER XV

THE SERVICES

Although all who serve the State are its servants, there is yet a distinction between public servants and the services. All members of the services are public servants, but all public servants are not necessarily members of the services. The most important class of public servants who fall outside this category are Ministers, and it is noteworthy that the rules laid down for the services do not necessarily apply to Ministers. At the same time, it is best for all parties concerned to remember that every man who is in the service of the State, whether belonging to the services or not, is a man under authority and has a place on the ladder of subordination. The Minister's place is on the highest rung, the chaprasi's on the lowest. In-between, come all the other members of the services. They are all covered by the generic term "public servant." They are the servants of the public. None of them is the servant of another of those servants. From this follows a whole chain of consequences which separate the services from any other employment and give them a character and status that is different from that of service of any other description. There is no master in the public service. One public servant is higher than another and has authority over him, but all are equally servants of the same master, the State.

This being the position, servants of the State are safeguarded by rules and regulations against arbitrary action. They cannot be thrown out of service at the will and pleasure of any one, however highly placed. Regular procedure must be observed and punishment meted out only after proper inquiry. These privileges have, as their counterpart, special responsibilities. A Government servant is on duty 24 hours a day. From him, since he works for no individual's profit but for the common good alone, zeal and integrity are rightly expected. He has security of tenure and regularity of promotion in due turn. Accordingly, it becomes his obligation to deal with every matter on its merits, without allowing

personal or other influences to prejudice his judgment. Observation of any mass of public servants in this country will show that these obligations are not always understood. In Hyderabad, perhaps, the standard has been, on the whole, even lower than elsewhere. The reasons are best stated in the following quotation from a report of Salar Jung's which, though made many years ago, emphasises points brought out by many witnesses quite recently :—

“ From personal observation and experience, I have no hesitation in saying that very few officers of the Government discharge their duties honestly, faithfully, zealously, and intelligently; but the views and exertions of most officials are absorbed in finding out means to obtain money and influence for themselves. Perhaps, this evil exists elsewhere also, but in this place it is more general. On this point I would beg to make a few remarks.

For a long time past it has been the practice to obtain service, advancement, and position by one of the three following means, whether the candidate is competent or not for the duties. First, by nuzzeranahs, advances or bribery; secondly, by recommendations from influential parties, military chiefs, or men of wealth, of whose aid the Government sometimes stands in need; and thirdly, by flattering parties who have access to the Dewan, or are supposed to be in his confidence. Thus, appointments and advancements were not made according to merit, and, what has been the source of further evil, is that, inasmuch as meritorious conduct is the result of preserving industry to be attained only by constant labour, it was found easier by the means above alluded to to gain the same ends, and this being continued for a length of time, it has now become a custom, and unless this custom is removed by either fear or intimidation no amount of instruction or encouragement will change it.”

It has now been agreed that the principal appointments in the State, in future, will be held by members of the Indian Administrative Service, who are recruited on the basis of merit by competition open to all qualified persons in the country. All lower gazetted appointments are filled through the Public Service Commission, an impartial body which is expected to make selection on

merit alone. Appointment to clerical and other grades, too, should be by competitive examination held under the auspices of the Public Service Commission or some other independent body. In future, therefore, no occasion should arise for first appointment except on the basis of merit. Care must, however, be taken to see that, at all intermediate stages, the same criterion of merit applies, and that none of the insidious forces mentioned in the quotation creep in. The principal duty in this regard rests on the Ministers, for, if there is no attempt by them to depart from principle, subordinate officers will also observe rules strictly. In fact, to quote again: "Any person possessed of ability might carry on the affairs of Government according to certain known rules, all that is necessary being a strict adherence to them, with a zealous and honest discharge of those duties. The Government itself would hesitate to depart from its own established rules."

It has been common in Hyderabad from past generations for some officials to form a group or clique, the object being the mutual benefit of all members of the clique with special advantage to the founder. Such a group backs its common members against all others. It increases its influence by putting its members in key positions, not only in official posts but also in honorary capacities. It prevents decisions on merit in the interests of the members of its group and is a most potent source of misgovernment and injustice. It has not been unknown for men to reach high position on the basis of such groups, and the temptation to intelligent men from such examples has often been difficult to resist. We would urge that great care should be taken in future to prevent the formation of such cliques. This can best be done by Government's refusing to take into account anything except merit as the basis for promotion, and by its expressing, at as early a date as possible, its disapproval of any such attempts at association. Ministers drawn from the people should be in a much better position to know what exactly is going on than the administrators of the past. If, then, abuses continue or increase, either through their connivance or through their negligence, the larger share of the blame must rest on them.

More difficult perhaps to deal with than the disease of clique-forming, is that of corruption. All corruption is bad. But corruption among officers holding high positions,

and even ordinary gazetted officers, is most to be deplored, as it poisons the roots of all decent administration. Corruption, it is said, is often difficult to prove. All the more reason why there should not be the least hesitation in investigating every matter in which there is ground for complaint. Punishment, too, for corruption should be exemplary, the least being dismissal from service. There is, in this matter of corruption, one clear criterion which can be of great assistance in assessing the possibility or otherwise of its existence. Reputation can be taken as almost conclusive. It may be said of an officer who has not that particular fault, that he is harsh or rude or lazy, but it may be laid down almost as a rule that, over a period, it will not be said, of an officer who is honest, that he is dishonest. Consequently, when a strong aroma of corruption has gathered round an officer, very rarely will it be wrong specially and thoroughly to investigate his actions, his financial position and the financial position of such of his relatives and close friends as seem to have acquired a somewhat large share of the good things of the world. No such officer should, in any case, be kept in any position of responsibility or influence.

It is not enough for an officer to be honest and impartial. He must also have knowledge. Now, this knowledge must be of two kinds. He must have knowledge of the procedure that is of assistance in the performance of official work, and he must have knowledge of the subjects which he is called upon to deal with. Neither of these can be obtained without training. Training for the first must be acquired in the ordinary departments of Government by a period of probation and apprenticeship followed by application to the ordinary work. Training in the particular subject needs more detailed study, and should be enforced in the earlier part of an officer's career by departmental examinations and later by refresher courses. Thus, every revenue officer ought, at the beginning of his service, within 6 or 9 months of joining, to be made to pass a departmental examination in the theory and ordinary application of the Land Revenue Code and the various other laws that he will have to administer. This is the normal practice in most States. It would also be desirable to give him a month's training both in those particular laws and in the special problems of the time at suitable intervals over about five years. So, too, an officer taking up new work should not be allowed to rest

content with just carrying on the daily routine, but should be required to devote some time to acquiring an understanding of the general background and theory of his subject, his knowledge being tested once or twice a year by at least a *viva voce* test.

Training for clerical staff, too, is essential, both in the Secretariat and in other offices. In our view, training through classes at which people lecture, while it may be useful, can never take the place of real organization and methods work. An experienced and well-trained person should sit down in a branch, see what each clerk is doing, mark his faults and show him personally and individually how he should improve. Selection having been through a competitive examination, and the recruit having picked up the procedure of work by actual experience, the bringing of faults to notice and the remedying of them can best be done by personal explanation. After all clerks in a section have been assisted in this manner, the methods overseer might gather them round him and talk briefly about the subject of the work and the need to eliminate common errors. Such frank personal approach, in which the overseer puts himself in the position of the clerk and shows him how he can work better, is likely to have much greater effect than mere theoretical explanation from a higher level.

The judgment of impalpable qualities is always a difficult task, yet, it must be undertaken whenever any important appointment has to be made. It is, then, that the real value of confidential records, provided they have been written as they should have been, becomes clear. One of the greatest difficulties in Hyderabad is the absence of confidential records. Such as there are, give little help, and, in many cases, there are none. There have, of course, been instructions that confidential records should be kept, and that they should give proper assessment of the qualities of officers, but, like most instructions, they have not been carried out. We would suggest that, at a fixed time in the year, every head of an office be required to write a confidential record on all the subordinates working under him, that, for gazetted officers, these records should be forwarded through the head of the department to Government, for non-gazetted staff, they should be kept by the officer in charge himself, and that all faults which are likely to be curable mentioned in confidential records

should be brought to the notice of the Government servant concerned.

One of the most pleasing features of life in Hyderabad has been the amity between educated people of different communities. We find none of that communal bitterness which disfigures society so much in other areas. A common urbanity prevents religious differences from becoming serious obstacles to reasonable social and civic life, and we have knowledge of many instances of friendship between individuals belonging to different religions, even when in opposite political camps. This is not a recent trend; indeed, it is to some extent an attenuated vestige of the earlier period when, in the service of the State, religion did not count for anything in particular and the State was prepared, as for instance, under Salar Jung, to employ without hesitation in most of its services any member of any religion, provided only he was the most suitable. Conditions in this respect deteriorated later, the aim latterly being to give to Muslims a great preponderance in the public services. Thus, in 1947-48, 80 per cent. of Taluqdars were Muslims. For some time after the establishment of the Military Government, attempts were made to remedy this disproportion both through recruitment and through promotion. Later, it was decided that, in all direct service, the proportion of Muslims should not exceed $12\frac{1}{2}$ per cent.; $12\frac{1}{2}$ per cent. being reserved for Harijans, provided a sufficient number of candidates with minimum qualifications was available, and the rest going to others. The new Constitution made any such limitation illegal, and the Committee is glad to note that, recently, orders have been issued cancelling these reservations. In future, both recruitment and promotion will be on the basis of merit alone. Communal disproportion has been remedied to a certain extent, and we have little doubt, the emphasis on religion as a basis for service will in future be considerably lessened in this State.

A Chinese civil servant of 1100 A.D. who rose to very high position in the Empire, laid down as the principle to be followed by decent administrators—**independent thinking and impartiality**. The latter part of his life was spent in exile. Nor need it occasion any surprise if, even in democratic India, rigid adherence to these principles leads to the same fate. It should, however, be remembered that there is no more fertile cause of wrong decisions

than the desire of officials to please political chiefs in high position by saying what the officials think their chiefs would like to hear. In their own interest, accordingly, Ministers would be well advised to have as their advisers men capable of independent judgment and frank expression of views. 'Yes-men' are easy to find and pleasant to work with. They anticipate the Minister's wishes in any particular matter, and are only too happy to assure him beforehand of the wisdom and the beneficence of the course he wishes to pursue. They lead the country through him into loss and danger which may on occasion prove ruinous. It is only in the clash of minds that the real merits of any matter can become apparent, and a wise Minister will give every opportunity to his senior officials, as indeed a wise senior officer will to his juniors, to express their views freely, however much they differ from his own, in order thereby to test the validity of his own propositions and the possibility of their application. The right to order belongs to the chief, the right to represent and to advise, so that orders are issued only after full consideration, is as inalienably that of the senior officer. It is necessary to emphasise this, especially in Hyderabad, since for generations, agreement with the man in authority has been regarded as most praiseworthy and the pointing out of error or difficulty in any scheme put forward by a senior as the worst kind of heresy. If a democratic Government is to function well, not the least of its safeguards must be the right of the official to speak freely on any matter that may come before him in the course of official duty, without fear and without incurring the displeasure of his chief.

CONCLUSION

We have now concluded our labours. It has been an extremely interesting and educative task and we wish to thank Government for the opportunity they have given us of participating in it. It now remains for Government to come to a decision on our recommendations. We trust that they will not share the fate of those of most Committees and be noted on for months in the Secretariat and attached and district offices. In view of their importance from the financial and reorganization aspects, we would urge that special procedure be adopted to speed up disposal. Copies of the Report having gone to all Hon'ble Members and Secretaries, the Chief Minister would perhaps consider settling the particular points in regard to each department by oral discussion. A week's time should be ample for study and another week for disposal, so that, before the end of the month orders on all the points could issue and the State get the benefit of the saving and reorganisation suggested without delay.

Finally, it is our pleasant task to thank the many witnesses of all grades and status in life who have assisted us by sparing their valuable time to place at our disposal their experience and advice. For our Secretary, Mr. Ramchander Rao, we have nothing but praise. His intimate acquaintance with various departments and officers has enabled him to obtain information for us at short notice. Our Assistant Secretary, Mr. Kantha Rao's sound knowledge of the rules, pay scales and service procedure has been of great help to us and his industry and cheerfulness have been valuable assets in a strenuous task. We thank also the staff that worked for the Committee and in this connection would particularly mention Mr. Kishenchand, Personal Assistant to the Chairman, whose untiring energy and readiness to work at all hours has been no small factor in enabling us to complete our Report so quickly. Our Chief Reporter,

Mr. Venkatramiah too deserves our thanks for his hard and willing work.

(Sd.) A. D. GORWALA,
Chairman.

(Sd.) S. M. AZAM,
Member.

(Sd.) M. NARSING RAO,
Member.

(Sd.) J. H. SUBBIAH,
Member.

(Sd.) DILSUKH RAM,
Member.

(Sd.) RAMCHANDER RAO,
Secretary.

Hyderabad, 1st October, 1950.

APPENDIX (A).

List of witnesses examined by the Economy Committee.

Date of Evidence	Serial No.	Names of officials and non-officials
19-7-1950.	1	Raja Bahadur Aravamudu Iyengar.
	2	Nawab Mehdi Nawaz Jung Bahadur.
20-7-1950.	3	Mr. L. G. Rajwade, I.C.S., Civil Administrator, Aurangabad.
	4	Mr. Mir Sajjad Ali, H.C.S., Deputy Financial Adviser, Supply Finance and ex-Secretary, Pay and Service Commission.
	5	Mr. Mir Akbar Ali Khan, Bar.-at-Law.
21-7-1950.	6	Mr. T. K. Palaniappan, Civil Administrator, Warangal.
	7	Mr. Shanker Rao Borgaonker, Bar.-at-Law, Ex-Member, Pay and Service Commission.
	8	Mr. M. G. Lakshminarsu.
22-7-1950.	9	Nawab Liakat Jung Bahadur, ex-Finance Minister, Hyderabad Government.
	10	Mr. C. Seshagiri Rao, Civil Administrator, Mahboobnagar.
	11	Prof. Kishenchand.
24-7-1950.	12	Mr. Mohd. Ahmed Mirza, Retired Chief Engineer & Secretary, P.W.D.
	13	Mr. Syed Ali Raza, Retired Chief Engineer, P.W.D.
	14	Mr. Padmanabh.
25-7-1950.	15	Prof. Keshav Iyengar, Economic Adviser, Hyderabad Government.
	16	Mr. V. K. Dhage, Chartered Accountant.
26-7-1950.	17	Mr. K. C. Wadia, Officer on Special Duty, Finance Department, Hyderabad Government.

- 18 Mr. Amir Ali Khan, Retired Member, Board of Revenue.
- 27-7-1950. 19 Mr. Digamber Rao Bindu, President, Hyderabad State Congress.
- 20 Mr. Mahadev Singh, Chairman, Hyderabad Socialist Party.
- 21 Mr. C. K. Murthy, Director, Statistics Department.
- 22 Lt.-Col. K. M. Sayeed, Director, Resettlement and Employment Exchange.
- 28-7-1950. 23 Nawab Ali Yavar Jung Bahadur, Vice-Chancellor, Osmania University.
- 24 Mr. N. K. Rao, Advocate.
- 25 Mr. Laxman Rao Ganu, Advocate.
- 26 Mr. Ranga Reddy, President, Andhra Provincial Congress Committee.
- 27 Mr. Koteswar Rao, Private Secretary to Hon'ble Labour Minister.
- 4-8-1950. 28 Mr. K. J. Viccaji, Agent, Central Bank of India Ltd., Hyderabad-Deccan.
- 29 Mr. Ghulam Hyder, H.C.S., Nazim, Atiyat.
- 30 Mr. N. Durgiah, Secretary, Board of Revenue.
- 5-8-1950. 31 Mr. T. Suryanarayana, Director of Public Instruction.
- 32 Mr. Ramlal, Member, Board of Revenue.
- 33 Mr. R. J. Rebello, I.A.S., Civil Administrator, Hyderabad District.
- 34 Mr. P. V. Subba Rao, Member, Board of Revenue.
- 7-8-1950. 35 Khan Sahib C. B. Taraporevala, Financial Adviser to H.E.H.
- 36 Mr. Mehdi Ali Mirza, Chief Inspector of Factories and Boilers.
- 8-8-1950. 37 Mr. Jagjivanchand, Managing Director, Hyderabad Co-operative Commercial Corporation.
- 38 Mr. Behramji Dorab Jung Chenoy, Commissioner, Settlement & Land Records.

- 39 Mr. K. I. Vidyasagar, H.C.S., Registrar, Co-operative Societies.
- 40 Mr. M. S. Seetarama Rao, Retired Chief Engineer, Public Works Department.
- 9-8-1950. 41 Dr. Hussain Zaheer, Director, Central Laboratories.
- 42 Mr. R. V. Pillai, Retired Director of Government Printing.
- 43 Mr. Syed Mohd. Nizamuddin, Officiating Director, Government Printing.
- 10-8-1950. 44 Mr. Sajjad Mirza, Secretary, Education Department.
- 45 Mr. Naqi Bilgrami, Secretary, Commerce & Industries Department.
- 46 Dr. R. V. Rao, Professor, Nizam College.
- 11-8-1950. 47 Mr. Mohd. Abdulla, H.C.S., Secretary, Rural Reconstruction Department.
- 48 Mr. M. Fariduddin, Director, Commerce and Industries Department.
- 49 Mr. C. E. Preston, Director, Technical & Vocational Education.
- 14-8-1950. 50 Mr. T. Anantachari, Chairman of the Special Tribunal.
- 51 Mr. Nagendra Bahadur, H.C.S., Secretary, Revenue Department.
- 52 Mr. S. N. Reddy, Commissioner, City Police.
- 53 Dr. N. M. Jaisoorya.
- 54 Mr. Majidullah, H.C.S., Senior Deputy Commissioner, City Police.
- 55 Raja Rameshwar Rao, Jagirdar.
- 16-8-1950. 56 Raja Dhonde Raj Bahadur, Member, Atiyat Appeals Committee.
- 57 Mr. Doulat Rai, Inspector-General of Forests.
- 58 Mr. L. N. Gupta, H.C.S., Jagir Administrator.
- 59 Raja Bahadur Col. K. N. Waghray, ex-Director, Medical and Public Health.

- 17-8-1950. 60 Col. Bhatia, Inspector-General & Secretary, Medical and Public Health Department.
- 61 Mr. Raghottam Reddy, Landlord.
- 62 Mr. C. L. Gupta, I.A.S., Supply Secretary.
- 63 Mr. Monappa, I.P., Inspector-General of Police.
- 18-8-1950. 64 Mr. S. W. Shiveshwarkar, I.C.S., Home Secretary.
- 65 Mr. S. M. Younus, Legal Secretary.
- 66 Mr. Osman Sobhani, Joint Secretary, Industrial Trust Fund.
- 67 Mr. Veeraswamy, Member, Scheduled Castes Federation.
- 21-8-1950. 68 Mr. Vepa Krishnamurthy, Engineer-in-Chief & Secretary, P.W.D.
- 69 Mr. P. D. Nair, Director of Agriculture.
- 70 Mr. J. C. Hardikar, Commissioner, Manjira Valley.
- 71 Mr. Ranga Rao, President, Village Officers' Association, Khammameth.
- 72 Mr. Wasiullah Hussaini, Codification Officer, Legal Department.
- 22-8-1950. 73 Mr. Hussain Ali Khan, Member, Public Service Commission.
- 74 Mr. C. Damodar Reddy, Finance Secretary.
- 75 Mr. M. A. Abbasi, H.C.S., Dy. Finance Secretary.
- 76 Mr. Mahmood Ali, Director, Unani.
- 23-8-1950. 77 Mr. Srinivasa Rao, Assistant Secretary, Board of Revenue.
- 78 Mr. Bonarji, Chairman, Public Service Commission.
- 79 Mr. L. C. Jain, I.C.S., Chief Secretary.
- 80 Hon'ble Mr. R. S. Naik, Chief Justice.
- 28-8-1950. 81 Mr. Zaheeruddin Ahmed, H.C.S., Accountant-General, Hyderabad State.
- 82 Captain Nanjappa, Special Commissioner, Police, Warangal,

- 29-8-1950. 83 Hon'ble Shri Basava Raju, Labour Minister.
- 84 Dr. S. P. Raju, Director, Engineering Research Department.
- 85 Mr. Qudratulla Beig, President, Non-Gazetted Employees' Association.
- 31-8-1950. 86 Hon'ble Shri M. Seshadri, Home Minister.
- 87 Hon'ble Shri Vinayak Rao Vidyalkar, Supply Minister.
- 2-9-1950. 88 Hon'ble Nawab Zain Yar Jung Bahadur, P.W.D. Minister.
- 6-9-1950. 89 Mr. B. Venkatappiah, I.C.S., Secretary, Finance Department, Government of Bombay.
- 7-9-1950. 90 Hon'ble Shri Phoolchand Gandhi, Minister for Medical & Public Health & Local Government Departments.
- 91 Mr. J. D. Italia, Secretary & Financial Adviser, Deccan Airways Ltd.
- 8-9-1950. 92 Mr. G. D. Vaidya, Superintending Engineer, Well-Sinking Department.
- 93 Mr. Vizarat Ali, Officiating Road Transportation Superintendent.
- 94 Mr. Yousufuddin, Deputy Chief Accounts Officer, N. S. Railway.
- 9-9-1950. 95 Hon'ble Shri M. K. Vellodi, I.C.S., Chief Minister, Government of Hyderabad.
- 11-9-1950. 96 Hon'ble Shri B. Ramakrishna Rao, Minister for Revenue & Education.
- 28-9-1950. 97 Mr. G. M. Sankpal, Director of Economics and Statistical Bureau, Government of Bombay.

APPENDIX (B)

Statement showing the Proposed Scales of Pay.

Serial No.	Designation	Proposed scale of pay
1	2	3
		O.S. Rs.
1	Chief Justice ... ..	... 2,500.
2	Vice-Chancellor, Osmania University	... 2,250.
3	Chairman, Public Service Commission	... 2,250.
4	Puisne Judges ... ..	... 2,000.
5	Members, Public Service Commission	... 2,000.
6	Inspector-General of Police ...	... Senior Scale of I.P. plus 250 S.P.
7	Chief Secretary ... ..	... Time Scale plus 300 S.P.
8	Secretaries & Additional Secretaries	... Time Scale plus 200 S.P.
9	Members, Revenue Board. ...	... do.
10	Chief Engineers & Chief Engineer, Electricity.	1,600 (Fixed).
11	Director, Public Instruction, and Inspector-general or Director, Medical Department }	... 1,600. do
12	Inspector-General, Forests ...	... 1,500 do
13	Director, Agriculture ...	... 1,500 do
14	Director, Veterinary ...	... 1,500 do
15	Commissioners, Customs & Sales Tax	... 700-1400 plus 100 S.P.
16	Commissioner, Excise ...	... do
17	Commissioner, Settlement & Land Records	do

1	2	3
		O.S. Rs.
18	Director, Central Laboratories ...	... 700-1400.
19	Industrial Adviser ...	... do
20	Chief Architect & Town Planner ...	... do
21	Superintending Engineers ...	... do
22	Director, Engineering Research ...	... do
23	Director, Commerce & Industries ...	... do
24	Advocate-General ...	... do
25	Sessions Judges ...	... do
26	Nazim, City Civil Court ...	... do
27	Nazim, Small Cause Court ...	... do
28	Official Receiver ...	... do
29	Director, Government Printing ...	... do
30	Textile Commissioner ...	... do
31	Registrar, Co-operative Societies ...	... do
32	Principal, Engineering College ...	... do
33	Do Osmania Technical College ...	... do
34	Director, Information & Public Relations ...	... do
35	Economic Adviser ...	... do
36	Nazim, Diwani, Mal & Mulki ...	... do
37	Secretary, Dominion Transport ...	... do
38	Commissioner, City Police ...	... 600-1,400 <i>plus</i> 100 S.P.
39	Deputy Inspector-General and Deputy Commissioners of Police ...	... 600-1,400.
40	Special Officer, Industrial and Technical Education ...	... do
41	Principals of Arts College, Nizam College, Women's College, Jagirdars' College and Madrasa-Aliya ...	... 600-1,400
42	Conservators of Forests ...	... do

1	2	3
		O.S. Rs.
43	Deputy Directors of Education ...	... 600-1,400.
44	Principal, Medical College ...	... 450-1,400.
45	Civil Surgeon, T.B. Hospital ...	... do
46	Superintendents of Osmania, K.E.M. and Zenana Hospitals ...	... do
47	Nazim, Unani Board ...	... do
48	Deputy Directors, Medical & Public Health	do

M.H. 1-A. LAND REVENUE

1	Taluqdars ...	... *700-40-900- EB-50-1,400.
2	2nd Taluqdars ...	... 400-25-550- -EB-30-700.
3	Tahsildars ...	... 300-20-500.

M.H. 1-B. SETTLEMENT & LAND RECORDS.

4	Deputy Commissioners ...	... 700-1,400.
5	Assistant Commissioners ...	... 400-700.
6	Other Assistants ...	... 300-500.

M. H. 2. FORESTS.

7	Divisional Forest Officers ...	... 600-40-1,000-EB-50- 1,400.
8	Deputy Assistant Conservators ...	... 300-500.
9	Additional Officer ...	... 400-700.

M. H. 3. CUSTOMS.

10	Deputy Commissioners ...	... 700-1,400.
11	Assistant Commissioners, Chief Appraiser & Superintendents of Customs ...	... 400-700.
12	Assistant Superintendents ...	... 300-500.

* For those persons who held the grade Rs. 900-1,200 or higher grade substantively prior to Pay Commission, the scale will be Rs. 900-50-1,400.

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O.S. Rs.

M. H. 4. EXCISE.

13	Deputy Commissioners	700-1,400.
14	Assistant Commissioners & Superintendents of Excise	400-700.
15	Assistant, Training School & Assistant Superintendents	...	...	300-500.

M. H. 5-A. STAMPS.

16	Inspector-General	700-1,400.
17	Assistants	300-500.

M. H. 5-B. REGISTRATION.

18	Registrar	300-500.
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M. H. 6. MINES.

19	Director, Geologist & Inspector of Mines	700-1,400.
20	Chemist, Junior Inspectors, Assistant Director & Geologist	400-700.

M. H. 6-B. MOTOR VEHICLES TAX.

21	Assistant Secretary, Dominion Transport Authority	400-700.
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M.H. 8-C. MANAGEMENT OF PUBLIC DEBT.

22	Officer	300-500.
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M.H. 9. MINT (STAMPS MANUFACTURE).

23	Assistant Superintendent, Stamps	300-500.
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M.H. 14. GENERAL ADMINISTRATION

24	Deputy Secretaries and Deputy Legal Adviser and Under Secy.	700-1,400.
25	Secretaries, Public Service Commission and Revenue Board	700-1,400.
26	Director, Statistics	700-1,400.

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O.S. Rs.

27	Labour Commissioner	700-1,400.
28	Assistant Secretaries and Assistant Legal Adviser	400-700.
29	Translator	...	...	do
30	Labour Welfare Officers	...	...	do
31	Senior Assistant, Diwani, Mal & Mulki	...	...	do
32	Assistant Director,	do	...	300-500.
33	Deputy Assistant Secretaries and Registrar...	...	...	do
34	Statistician	...	...	do
35	Labour Welfare Officers	...	...	do
36	Treasury Officers	...	...	do
37	Officer-in-Charge, Pensions & Mansabs	...	...	do

M.H. 15. INFORMATION BUREAU.

38	Assistant Director	...	...	400-700.
39	Assistant Director, Publicity, Editor, Publication & Publicity Officers	...	...	300-500.

M.H. 17. LIFE INSURANCE.

40	Officer-in-Charge, Hyderabad State Life Insurance Fund	...	...	700-1,400.
41	Assistant Officer	do	do	400-700.
42	Assistant Officer-in-Charge, Family Pension Fund	300-500.

M. H. 19. MILITARY.

43	Treasury Officer	300-500.
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M. H. 20. COURTS.

44	Registrar	700-1,400.
45	District Judges	700-1,400.
46	Additional Judges	700-40-900.

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O.S. Rs.

47	Pleaders (1,200) (1,000). 700-1,400.
48	Special Magistrate & Judges, Small Causes Court 700-1,400.
49	Assistant Registrar ...	...	... 400-700.
50	Senior Superintendents ...	...	... 400-700.
51	Pleaders (500) ...	...	... 400-700.
52	Additional Judge ...	...	... 400-700.
53	Judges, City Civil Court and Munsiffs ...	...	... 400-700.
54	Railway Magistrate ...	...	... 400-700.
55	Coroner ...	...	... 450-30-600-40-1,000- EB-50-1,400.
56	Personal Assistant ...	...	... 300-500.
57	Assistant Pleaders ...	...	... do
M.H. 21. JAILS.			
58	Director ...	...	... 700-1,400.
59	Superintendents ...	...	... 400-700.
60	Assistant Superintendents ...	...	... 300-500.
61	Assistant Surgeons ...	...	... 300-500.

M.H. 22. POLICE.

62	District Superintendents of Police	...	... 600-1,400.
63	Wireless Officer ...	...	... do
64	Assistant Commissioners & Assistant Superintendents of Police ...	...	... 400-700.
65	Registrar, and other officers ...	...	... 300-500.

M.H. 23. EDUCATION.

66	Secretary, Board of Education ...	...	... 600-1,400.
67	Divisional Inspectors of Schools ...	...	... 600-1,400.
68	Vice-Principal, Osmania Training College & Jagirdars' College ...	...	... do

1	2	3
		O.S. Rs.
69	Principals	600-1,400
70	Curator, Asafia Library	do
71	Assistant Directors	400-700.
72	Assistant, Industrial & Technical Education	400-700.
73	Officers, Central School of Commerce & Office Training and Industrial Agricultural High School	400-700.
74	Inspectors of Industrial Schools	400-700.
75	Foreman	400-700.
76	Vice-Principal, Arts & Crafts	400-700.
77	Junior Assistant Directors	300-500.
78	Assistant Secretary, Board of Education	300-500.
79	Headmasters of High School, Head Mis- tresses, Lady Supdt. and Supdt., Training School	300-500.
80	Principals, Men's & Women's Physical School	300-500.
81	Assistant Curator, Asafia Library	300-500.
82	Inspectors	300-500.
83	Teacher, Mahboobia Girls' School	300-500.

OSMANIA UNIVERSITY

84	Professors, Engineering College	700-1,400.
85	Professors	600-1,400.
86	Registrar	600-1,400.
87	Principals of Intermediate College, Veterinary Training College and Mahboob College	600-1,400.
88	Director, Nizamia Observatory ...	600-1,400.
89	Director, Translation & Publication	do
90	Head of the Department of Students	do
91	Deputy Registrar	400-700.

1	2	3
		O.S. Rs.
92	Professors, Medical College ...	... 450-1,400.
93	Accounts & Audit Officers ...	... 400-700.
94	Readers ...	... 300-20-500-25-550-30-700.
95	Lecturers ...	... 300-500.
96	Other Officers ...	... do

M.H. 24. MEDICINE AND PUBLIC HEALTH.

97	Deputy Nazim, Unani ...	... 450-1,000.
98	Officer, Nizamia General Hospital and Vice-Principal, Unani Medical College ...	... 450-1,000.
99	Assistant Director, Medical, Public Health & Child Welfare Centre ...	... 450-1,400.
100	Civil Surgeons ...	... do
101	Chemical Examiner and Pathologist ...	... do
102	Assistant Director, Public Health ...	... 400-700.
103	Secretary, Ayurvedic Board, Principal and Assistants ...	... do
104	Assistant Surgeons, Matrons and Medical Officers, etc. ...	... 300-500.
105	First-grade Hakims, District Dispensaries...	... 300-500.
106	Statistician, Demonstrator, Pathologist and Radiologist ...	... 300-500.
107	Lady Superintendent ...	... 300-500.
108	Surgeons & Lady Surgeons, Unani ...	... 300-500.

M.H. 26. AGRICULTURE.

109	Deputy Directors and Specialist ...	... 600-1,400.
110	Chief Marketing Officer ...	... 400-700.
111	Boring Officer and Demonstrator ...	... do
112	Assistant Boring Officer ...	... do

1	2	3
		O.S. Rs.
113	Other Officers ... ..	... 300-500.
114	Assistant Director ... ..	... do

M.H. 27. VETERINARY.

115	Deputy Director and Research Officer of Animal Diseases ... ..	... 600-1,400.
116	Assistant Directors, Registrar & other Assistants ... ..	... 300-500.

M.H. 28. CO-OPERATIVE.

117	Joint Registrar, Chief Auditor, Deputy Registrar & Assistants ... ..	... 400-700.
118	Deputy Assistants ... ..	... 300-500.

M.H. 29. MISCELLANEOUS & MINOR
DEPARTMENTS.

119	Director, Archæology & Museum Survey ... ..	... 700-1,400.
120	Chief Electrical Inspector ... ..	... 700-1,400.
121	Special Officer, Uplift of Backward Classes... ..	... do
122	Assistant Electrical Inspector ... ..	... 400-700.
123	Officer, Fisheries Department ... ..	... 400-700.
124	Assistant Special Officer, Uplift of Backward Classes ... ..	... do
125	Social Service Officers (First grade) ... ..	... 400-700.
126	Assistant Directors and other officers, Archæology & Curator, Hyd. Museum ... ..	... 300-500.
127	Supervisors of Chief Electrical Inspectorate... ..	... do
128	Officer, Educational Scheme for ex-Service- men ... ..	... do
129	Assistant Officers, Fisheries Department ... ..	... do
130	Assistant Officer, Uplift of Backward Classes ... ..	... do
131	Social Service Officers (Second-grade) ... ..	... do

O.S. Rs.

M.H. 30. MUNICIPALITIES & PUBLIC
IMPROVEMENTS.

132	Compensation Officer	...	...	700-1,400.
133	Superintendent, Public Gardens		...	400-700.
134	Chief Fire Officer	...	...	do
135	Officer, Purification Subdivision		...	do
136	Assistant Superintendent, Public Gardens	...	...	300-500.

M.H. 31. BUILDINGS & COMMUNICA-
TIONS AND 32. IRRIGATION.

137	Assistant Chief Engineers & Executive Engineers	...	...	700-1,400.
138	Assistant Engineers	...	...	400-700.
139	Senior Draftsmen & Sub-Engineers		...	300-500.

M.H. 36. PRINTING.

140	Deputy Director, Purchase Department	...	...	700-1,400.
141	Deputy Director & Assistant	...	...	400-700.
142	Assistant Directors, & Officer, Stationery Department	...	...	300-500.

M.H. 38. INDUSTRIAL.

143	Deputy Directors	...	...	700-1,400.
144	Officer, Small Scale Industry Scheme		...	do
145	Chief Inspector, Factories & Boilers		...	do
146	Officers, Central Laboratories	...	...	600-1,400.
147	Assistant Directors, Textile Officers		...	400-700.
148	Inspectors, Factories & Boilers	...	...	do
149	Assistant Technical Industrial Adviser	...	...	do
150	Assistant, Small Scale Industry, Assistant Officer, Joint Stock Co. and Deputy Registrar, Weights & Measures		...	do
151	Junior Officers, Central Laboratories (300- 800) (300-600)	...	...	300-500.

1	2	3	O.S. Rs.
152	Textile Designer ... ..	...	300-500.
153	Tanning Industry Officer ... ..	...	do
154	Assistant Inspectors, Factories & Boilers ...	...	do
155	Assistant Inspectors, Weights & Measures...	...	do
156	Officer, Home Industries for Weavers ...	...	do
157	Officers, Small Scale Industry ... ..	...	do
158	Assistant Director ... ..	...	do

40-A FAMINE (WELL SINKING).

159	Special Officer ... ..	...	700-1,400.
160	Subdivisional Officers and Mechanical Engineer ... ..	...	400-700.

M.H. 49. SUPPLY AND CONTROL.

161	Iron & Steel Controller ... ..	...	700-1,400.
162	Director, Rationing ... ..	...	do
163	Deputy Secretary, Supply ... ..	...	do
164	Director, Supply ... ..	...	do
165	Assistant Iron & Steel Controller ... ..	...	400-700.
166	Rationing Officer & Deputy Textile Commissioner, Cloth & Yarn Control ... ..	...	do
167	Legal Assistant ... ..	...	do
168	Junior Rationing Officers ... ..	...	300-500.
169	P. A. to Commissioner, Cloth Yarn Control ... ..	...	do
170	Assistant Director ... ..	...	do

M.H. 51. SALES TAX.

171	Deputy Commissioners ... ..	...	700-1,400.
172	Sales Tax Officer (Senior) ... ..	...	400-700.
173	do (Junior) ... ..	...	300-500.

APPENDIX (C).

List of Conveyance Allowances which are proposed to be reduced.

Serial No.	Designation	No. of posts	Rate	Total per month
1	2	3	4	5
	M.H. 14. GENERAL ADMINISTRATION.			
1	Finance Department Mechanic ...	1	25	25
2	Jagir Statistical Inspector ...	1	30	30
3	Draughtsman, Planning Sectt. ...	1	30	30
	M.H. 15. POLITICAL.			
1	Information Department Officer	1	100	100
	M.H. 21. JAILS.			
1	Deputy Director ...	1	50	50
	M.H. 22. POLICE.			
1	D. S. Ps. ...	15	50	750
2	A. S. Ps. ...	18	30	540
3	Accounts Officer ...	1	30	30
4	Assistant Commissioner of District Police Force ...	1	75	75
5	Settlement Officer, Lingal ...	1	50	50
6	Superintendent of Police, Paigah	1	30	30
	M. H. 23. EDUCATION.			
1	Physical Instructor ...	1	100	100 to be reduced to Rs. 50.
2	Part-time Sanskrit Teacher ...	1	20	20

Serial No.	Designation	No. of posts	Rate	Total per month
1	2	3	4	5
	M.H. 24. MEDICAL.			
1	Nurses, Osmania General Hospital ...	15	15	225
2	Nurse, Chaderghat Hospital ...	1	50	50 to be reduced to Rs. 25.
	M.H. 27. VETERINARY.			
1	Assistant Director, City Circle ...	1	50	50
	M.H. 28. CO-OPERATIVE.			
1	Urdu Typist ...	1	30	30
	M.H. 30. MUNICIPALITIES.			
1	Executive Engineer ...	1	100	100
2	Sub-Engineers ...	2	50	100
2	Superintendents, C.I.B. ...	2	75	150
	MAINTENANCE SUBDIVISION.			
4	Officer ...	1	75	75
	M.H. 31. BUILDINGS AND COMMUNICATIONS.			
1	Superintending Engineer ...	1	100	100
2	Executive Engineers ...	5	100	500
3	Subdivisional Officers (Special Division) ...	7	75	525
4	Tracers ...	31	25	775
	ENGINEERING RESEARCH DEPARTMENT.			
5	Observers ...	7	30	210

Serial No.	Designation	No. of posts	Rate	Total per month
1	2	3	4	5
6	Computers	3	30	90
7	Tracers	3	25	75
8	Draughtsmen	2	25	50
9	Research Assistants	4	30	120
M. H. 32. IRRIGATION.				
1	Tracers	12	25	300
M. H. 40. FAMINE.				
1	Executive Engineer	1	100	100
2	Assistant Engineer	1	100	100
3	Mechanical Engineer	1	100	100
M. H. 49. SUPPLY AND CONTROL.				
1	Director, Food	1	50	50
2	Draughtsman	1	25	25
IRON CONTROLLER, OFFICE				
3	Controller	1	100	100
STATISTICS BRANCH.				
4	Draughtsman	1	25	25

N.B.—Most of the above items have already been proposed for reduction by the Finance Department.

APPENDIX (D)

List of Permanent Travelling Allowance proposed for discontinuance.

Serial No.	Designation	No. of persons	Rate	Total per month	To be continued at the following rates per month
1	2	3	4	5	6
	M.H. 1-A. LAND REVENUE.	Rs.	Rs.	Rs.	Rs.
1	1st Taluqdar, Hyd. Dist.	1	50	50	
	M.H. 1-B. SETTLEMENT & LAND RECORDS.				
2	Assistants, Settlement & Land Records ...	18	20	360	100
3	Asst. Annavari Phori ...	4	85	340	
	M.H. 2. FORESTS.				
4	Rangers ...	75	25	1,875	
5	Deputy Rangers ...	86	20	1,720	
6	Deputy Asst. Conservators	2	30	60	
	M.H. 4. EXCISE.				
7	Superintendents ...	2	50	100	50
8	Asst. Superintendents ...	2	20	40	30
9	Sub-Inspectors ...	402	10	4,020	10
10	Jawans ...	1,206	2	2,412	3

Serial No.	Designation	No. of Persons	Rate	Total per month	To be continued at the following rates per month
1	2	3	4	5	6
	M.H. 23. EDUCATION.				
11	Inspector, Physical Education & Organizing Conservators, Boy Scouts (City) ...	1	100	100	
	M.H. 25. RELIGIOUS.				
12	Director ...	1	100	100	
13	Vaizan ...	4	20	80	
	M.H. 28. CO-OPERATIVE				
14	Inspecting Auditor ...	1	5	5	20
15	Junior Auditors ...	3	5	15	10
16	Senior & Junior Amils ...	259	10	2,590	5
	M. H. 49. SUPPLY.				
17	Girdawars ...	100	15	1,500	
	M.H. 23. EDUCATION (OSMANIA UNIVERSITY).				
18	Audit Officer...	1	50	50	
19	Superintendent, Touring	1	15	15	
20	Senior Auditor ...	2	10	20	

Note.—Most of the above items have already been proposed for reduction by the Finance Department.



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